



**Ready and resilient:**  
Of five-footed traders,  
farmers, and fisherfolk

Indonesia: final evaluation of the project  
'Deepening resilience in Agam District, West Sumatra'



# Abbreviations

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<b>ACA</b>	PT Asuransi Central Asia
<b>ANCP</b>	Australian NGO Cooperation Program
<b>AUD</b>	Australian Dollar
<b>BCP</b>	Business Continuity Plan
<b>BNPB</b>	Badan Nasional Penanggulangan Bencana - <i>National Disaster Management Agency</i>
<b>BPBD</b>	Badan Penanggulangan Bencana Daerah - <i>Province/District Disaster Management Agency</i>
<b>CBA</b>	Cost-benefit analysis
<b>DAC</b>	Development Assistance Committee
<b>DEB</b>	Direct economic benefits
<b>DFAT</b>	Department of Foreign Affairs and Trade (Australia)
<b>DPT</b>	Disaster Preparedness Team
<b>DRM</b>	Disaster Risk Management
<b>DRR</b>	Disaster Risk Reduction
<b>FGD</b>	Focus group discussion
<b>GDP</b>	Gross domestic product
<b>HCS</b>	Hazard and coping strategy analysis
<b>HH</b>	Household
<b>HPA</b>	Humanitarian Partnership Agreement
<b>IDR</b>	Indonesian Rupiah
<b>JEMARI</b>	Jaringan Kerja Pengembang Partisipasi Indonesia - <i>Indonesian Network for Participatory Approach Support</i>
<b>KII</b>	Key informant interview
<b>KAP</b>	Knowledge, Attitude, and Practice
<b>MSC</b>	Most Significant Change
<b>NGO</b>	Non-Governmental Organization
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PB</b>	Protective benefits
<b>PVCA</b>	Participatory Vulnerability and Capacity Assessment
<b>SME</b>	Small or medium enterprise
<b>TA</b>	Trend analysis
<b>ToR</b>	Terms of reference

**Ready and resilient: of five-footed traders, farmers, and fisherfolk**  
**Indonesia: final evaluation of the project “Deepening Resilience in Agam District, West Sumatra”**

This report presents the final evaluation results of the project “Deepening Resilience in Agam District, West Sumatra”. Funded by the **Australian Department of Foreign Affairs and Trade (DFAT)** through the Humanitarian Partnership Agreement (HPA), the project was implemented by **Oxfam** and the Padang-based partner **Jemari Sakato** between 2014 and 2017.

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## Executive summary

Implemented between 2014 and 2017 by Oxfam and its local partner Jemari Sakato, the project 'Deepening Resilience in Agam District, West Sumatra' explored an approach centered on enhancing resilience of vulnerable households as well as small and medium enterprises (SMEs). Noting the importance of SMEs for economic development as well as a generally high rates of post-disaster business closures, the project approach was found to be relevant and effective. As this evaluation report illustrates, the project can be used as a model for scaled-up follow-on projects in West Sumatra and should be replicated across Indonesia and beyond.

Conducted in June 2017 in the West Sumatran district of Agam, the evaluation is based on a staff reflection workshop, community workshops in four sub-villages (using focus group discussions, trend analysis as well as hazard and coping strategy analysis), a Most Significant Change and cost-benefit analysis process with selected SMEs, and interviews with key informants (from government agencies and private sector partners). The findings are summarized below, structured along the lines of the evaluation criteria.

### Relevance and appropriateness

By addressing two inter-related aspects to resilient businesses - *reducing stressor-related damages and losses* (direct and indirect) and *enabling business growth*, the project was highly relevant to the specific context. Excellent criteria-based targeting and a sound thematic scope proved useful. Beneficiary households and small business owners found that needs had been thoroughly assessed and were addressed through an effective combination of interventions.

Government partners also welcomed the initiative as highly relevant and noted that it addressed SME resilience - an area that prior to the project had represented a gap between the agencies mandates. While SME resilience has now been included in medium-term planning, the agencies noted that they were not yet confident in facilitating SME support without the back-up of Oxfam and Jemari Sakato.

The project is also seen as appropriate in terms of coverage, technical support and inclusiveness. However, options should be found to offer higher insurance amounts (currently limited to IDR 2.5 million) for businesses with a larger asset base.

Future projects should aim to work more holistically on community attitudes to gender and people with disabilities. While women and women-headed businesses as well as

people with disabilities benefitted from the project intervention, mind-sets and power dynamics need to be addressed to reduce the risk of gender-based tensions.

### Effectiveness

The evaluation finds the project highly effective and identifies four main **success factors**:

- **Built on experience:** the project made use of experiences and lessons from previous resilience-related projects and utilized existing networks in Agam district;
- **Good targeting and scope:** sound targeting of beneficiaries and limiting the geographical scope enabled the team to quickly respond to new information - a good 'testing ground' for work in such a new field;
- **Adaptability:** the team's ability to reflect, adapt and innovate is commendable - this led to significant improvements over time;
- **Combining capital support and training:** giving capital to SMEs enabled businesses to work on resilience measures and continuity plans - combining tangible and direct benefits with the promotion of long-term investments into greater resilience is seen as a smart combination of measures.

While highly effective, the project also encountered several challenges - in particular:

- **Staffing:** Given the small budget and scope, there were limitations on the number of staff that could be recruited - in a sense, economies of scale worked against the project. Given the new field of SME resilience, the team had little background in business development and had to learn over time.
- **Working from year to year:** funded in one-year phases through the Australian Department of Foreign Affairs and Trade (DFAT)'s Humanitarian Partnership Agreement (HPA) stream, the project had short time horizons with gaps between each phase.
- **Documentation:** with three different phases and changes over time, documentation of the 'big picture' suffered: many sensible activities were inserted without them being tracked or documented.
- **Logframe quality:** The logframe is seen as problematic - neither do many indicators pass the SMART criteria, nor does the overall logframe reflect the whole array of activities appropriately.

Having that said, the project achieved or exceeded most of its targets - in fact, there were many other activities not reflected in the logframe. The evaluation therefore lists activities and innovations that were most and least effective - enabling a more specific replication of successful tools in future resilience programming.

### Efficiency

Despite the small scope of the project and beneficiary numbers (and the inevitable implications in terms of economies of scale), the evaluation finds that investments paid off handsomely, as the results of a cost-benefit analysis of six SMEs illustrate.

Benefit-cost ratios are positive in all cases - in fact, benefits over an assumed ten-year time span exceed costs by a factor of between 1.30 and 31.87.

Two types of benefits are accounted for - *direct economic benefits* refer to profit increases directly related to the new activities promoted by the project; these materialize irrespectively as to whether a hazards occurs. *Protective benefits* meanwhile include the avoided damages and losses (direct and indirect); these include insurance pay-outs and the reduced indirect losses due to faster post-hazard recovery times. Notably, business owners estimate a recovery timeframe that is 2-8 times shorter, compared to a business-as-usual scenario.

Direct economic benefits are 7.5 times greater than protective benefits - making the case for the capital-cum-training combination outlined earlier. On average, sampled businesses increased their profits by 163.7%.

### Impact

As the 'Stories of Change' centre-fold in this report illustrates with first-person accounts, the project impacted people's lives in many - and sometimes unexpected - ways. The evaluation identifies four main areas of impact:

- **Faster recovery from hazards:** Compared to reference disasters in the past (usually the 2009 earthquake), business owners expect a much faster recovery - the coping strategy analysis, Most Significant Change stories and the cost-benefit analysis point to the same direction. Claiming insurance, using savings and buffers, and activating the business continuity plans means businesses have greater confidence in getting 'up on their feet' after future hazards.
- **Enhanced level of disaster preparedness:** Sampled communities described numerous concrete measures they applied to be better prepared for disasters - this includes both community and household-level measures.
- **Improved livelihoods:** Clear increases in profits from small businesses of vulnerable households meant that many are moving out of poverty - having greater ability to cover basic needs such as food, medicines, and education. Having greater earning capacity, many women felt empowered by their greater contribution to family incomes.

- **Better connectedness:** Businesses are better connected to each other and with government agencies and key players of the private sector. Greater confidence in approaching agencies and seeking support is seen as a strong supportive factor for increased SME resilience.

### Sustainability

There is a strong **willingness** amongst SMEs and governments to sustain pursuits towards business resilience. Businesses owners have tangible benefits in increased profits and also recognize the advantages of business continuity plans, insurance and other measures. Interviewed government agencies are likewise convinced and see SME resilience as a new area that had previously been uncovered. They included SME resilience into medium-term planning.

In terms of **capacity**, the outlook is more nuanced: most business owners are confident in having the capacity to sustain activities. The SME clinic - a volunteer-run center providing assistance - is an innovative tool to help sustain capacity. Some businesses - particularly those in non-food fields - will require technical support in marketing, packaging and other technical aspects.

On the government side, agencies said that they were unsure about their ability to support activities without further mentoring and facilitation from Jemari Sakato and Oxfam.

### Moving forward

The Deepening Resilience project has been a resounding success - but as the sustainability point above shows, further consolidation is recommended. This could be carried out as part of a scaled-up successor project, which could target adjacent areas in or around Agam district.

The SME resilience approach is also recommended for replication and mainstreaming in other resilience-related projects. The table on the following page summarizes the recommendations and underlying reasons.

Figure 1 | List of recommendations

No.	Recommendation	Underlying reasons
<b>A. CRUCIAL</b>		
A.1	<b>Scale up and consolidate.</b>	With the general approach of the project found to be hugely effective, we recommend to upscale the approach to other priority areas in Agam district. This would also allow consolidating current achievements. A suggested consolidation period would build on government agencies' willingness and involvement while addressing their limited capacity to take over all facets of the initiatives.
A.2	<b>Provide further technical assistance to non-food businesses.</b>	SMEs without a food focus still require assistance with labelling, packaging and marketing. It is likely that Jemari will continue the parts of the project with its own funding until December 2017, and Jemari plans to open a market. These trials and innovations should go ahead, consolidating ongoing activities.
A.3	<b>Investigate 'failed' businesses and households that dropped out.</b>	Out of 40 target vulnerable households, six businesses discontinued their engagement. It is worth investigating and then addressing underlying reasons. What was missing, what further support would have been needed for success? If Oxfam and Jemari want to target the poorest of the poor, this area needs further investigation.
A.4	<b>Invest in SME technical staff.</b>	Jemari and Oxfam teams identified gaps in staff with technical knowledge as a main challenge. Staff members were neither livelihood specialists nor experienced in business development. Although this experience gap was addressed by partnering with the private sector, there is room to systematically develop and invest in SME staff for future projects. Now that the project has staff and volunteers with three years of SME experience, staff should be further developed and re-deployed to new projects.
A.5	<b>Extend SME clinic support.</b>	The SME clinic is an innovative solution to help sustain SME resilience outcomes. This initiative is run by local and motivated volunteers and should be supported in the medium term. Advocating for long-term government funding of the clinics is essential.
A.6	<b>Invest in, train and enable local SME mentors.</b>	Growing a business takes knowledge, experience, and energy - new entrepreneurs require regular encouragement and advice. It is not realistic that project staff can mentor each business intensively, but Oxfam and Jemari can develop a system of SME mentors: these mentors could follow up, link to technical assistance/SME clinic and continue encouraging small business holders.
A.7	<b>Continue combining capital and continuity plans.</b>	By combining capital support to vulnerable households and SMEs, the project raised interest and led to tangible improvements (increased profits) irrespective as to whether and when hazards strike. The combination of this capital support with resilience-related training and the promotion of business continuity plans proved effective and should be retained in future SME resilience programming.
<b>B. IMPORTANT</b>		
B.1	<b>Assess and address gender power dynamics.</b>	Some communities reported that women increased earning power and contributed more to household incomes, but barriers around decision-making remain. By not addressing mind-sets and gender attitudes in communities, this could create or aggravate gender-based violence. It is therefore recommended to analyze gender issues at the beginning and end of each resilience project. This will help track gender-disaggregated impact and inform programming refinements. Future projects should work openly with men and women to explore gender issues, particularly around income, decision-making and power dynamics.
B.2	<b>Explore additional options for SMEs centered around farming and fishing.</b>	While SMEs involved in trading have increased their level of resilience, those centered around farming and fishing remain unprotected by insurance. Major fluctuations in the livelihoods section of the trend analysis relate to crop failures (pests or weather) or fishing disruptions. Oxfam and Jemari should continue to advocate and investigate other insurance options for businesses in fishing and farming.
B.3	<b>Increase insurance amounts.</b>	With current insurance options just covering IDR 2,500,000 of assets, larger businesses would still lose substantial capital in the event of a hazard. Higher coverage levels should thus be explored with insurance partners.
B.4	<b>Monitor and support SME groups and food banks.</b>	SME groups and food banks are new and need to be monitored for issues, particularly around savings and loans. This can be done during the consolidation phase and then handed over to the SME clinic.
B.5	<b>Continue promoting safe shelter awareness but discard the 'hardware' aspect.</b>	There was little uptake of house retrofitting options. Respondents said that they were not currently building, and did not want to invest in retrofitting. Improving shelter safety is most effective through training of construction workers and carpenters, and through integration with DRR (household preparedness).
B.6	<b>Explore options for low-guarantee loans.</b>	Growing businesses need capital. Small business owners frequently reported that once they were competent at basic business functions, their greatest barrier to growing their business was limited access to capital. The project should continue exploring and advocating for low-guarantee SME loans.
B.7	<b>Continue targeting vulnerable groups while monitoring the possible impact on cohesion.</b>	Continue to target vulnerable households but guard against the possibility of social divisions. Consider working with whole communities around issues of duty bearers, rights holders and vulnerability. Ensure that inception phases of projects include the whole community in order to promote community inclusion and to protect against tensions.
<b>C. DESIRABLE</b>		
C.1	<b>Enhance documentation and information-sharing between partners through an SME hub.</b>	The study identified gaps in documentation: Largely due to the changes over the three project phases, these gaps (unclear targets, logframe, work plans, budgets) require consolidating. Throughout implementation, Jemari conducted more activities and achieved more than is documented in project reports. This is a significant gap - as the project is a "model" for other projects, a knowledge hub could be created with clear documentation of approaches, experiments, key success factors, and lessons learnt.
C.2	<b>Improve procurement and maintenance for SME capital investments.</b>	Some SMEs reported issues with broken or low-quality equipment that was supplied via Jemari. There was an expectation for Jemari to 'fix' broken equipment and confusion over Jemari promises for added capital that was not delivered. In the latter phases, Jemari worked with universities who provided technological advice. This should continue, along with developing maintenance plans with SMEs. These plans need to be agreed ahead of supply, thereby ensuring that all parties are clear on responsibilities for repairs or replacement of faulty or broken equipment.
C.3	<b>Improve communication on the phase-out process.</b>	Many SMEs and community members were not convinced that the project was ending, and some people mentioned unfulfilled "promises" that Jemari had not yet delivered. This was mainly around additional equipment input into their businesses. Due to unclear start and finish dates (two extensions), communities expected the project to extend further. Jemari should clear up any unfinished "promises" or expectations and project finishing dates.
C.4	<b>Conduct an endline study and compare against baseline data.</b>	As project assessment and baseline data exists but was not available for this study, further quantitative research may be beneficial to better measure changes in income and recovery timeframes
C.5	<b>Consolidate project actions and replicate in other hazard-prone areas of Indonesia and across Asia.</b>	A key success factor of this project was that it built on existing projects. The previous work in the region created the right environment for the project to succeed. By implication, opportunities to replicate and expand the Agam model should be sought in future programming, such as the recently launched ANCP-funded project in Lombok that already addresses SME resilience to some extent.

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## Introduction

Ready and resilient: the title of this report captures a key outcome of a project that truly deserves the usually over-used description of being innovative. Building on expertise from previous resilience-related interventions, the project 'Deepening Resilience in Agam District' concentrated on the resilience of small and medium enterprises (SMEs) - a relevant but largely un-tested niche.

Recognizing on the one hand that SMEs are crucial for employment and livelihoods, and on the other the fact that small businesses often collapse when affected by natural disasters, Oxfam and its West Sumatran partner Jemari Sakato designed the project to explore and test approaches that would make businesses more resilient.

Funded by the Australian Department of Foreign Affairs and Trade (DFAT) and implemented in a well-targeted and highly hazard-prone area, the project piloted or adapted several measures to that end, including SME insurance, business continuity plans, and an 'SME clinic'. As this evaluation report shows, the results are promising - suggesting that the project approach be scaled up and mainstreamed into other resilience-related interventions.

The report is structured in three sections. **Section A** provides the background by introducing the project and its context (chapter 1) as well as the objectives and the approach of the evaluation (chapter 2). **Section B** presents its findings. It looks at the extent to which the project is seen as relevant and appropriate (chapter 3) and effective (chapter 4), and presents findings in terms of efficiency (chapter 5), impact (chapter 6) and sustainability (chapter 7). The final **section C** looks at the implications and the way forward, presenting recommendations (chapter 8) and ending the report with concluding remarks (chapter 9).

The main report is kept to a concise format, having busy readers in mind. At its centre-fold, it offers the selected stories of change, which provide first-person accounts on how the project impacted people's lives. Showing changes 'beyond the logframe', the stories are a rewarding read.

For those who want to delve deeper, the appendix contains additional information - such as the detailed results of trend analysis exercises and focus group discussions.



## SECTION A | BACKGROUND





Members of the 'Kelompok Tani Citra Saudari' (sisterhood) women's group and food bank from Gasan Kaciak. PHOTO: SAMADHI MARR, BANYANEER

## 1. Overview of the project

### 1.1 Project background

With 257 million people, Indonesia is the world's fourth-largest country. Following the 1997 Asian financial crisis and the democratization starting a year later, the country has seen strong economic growth and the development of a vibrant civil society since. Yet, the dividends of this trend are spread unevenly - and eight percent of the population are regarded as poor, living at under USD 1.90 per day.<sup>1</sup>

Indonesia is located in one of the world's most natural disaster-prone areas. The 2004 Indian Ocean Tsunami that devastated Aceh province and the nearby island of Nias is in the country's and indeed the world's memory. Numerous other disasters have been frequent occurrences - such as the 2006 Yogyakarta and 2009 West Sumatra earthquakes, and the 2010 eruption of Mount Merapi. Many smaller-scale disasters that bypass global attention include floods, droughts and landslides. The country has made substantial advances in the regulatory and institutional frameworks on disaster risk management (DRM) - notably, it ratified a disaster management law in 2007 and created a national disaster management agency in 2008 (Badan Penganggulangan Bencana Nasional, BPBN) with provincial and district-level counterparts (BPBD). The government included disaster

Figure 2 | Project background



1. See World Bank 2014, poverty head count at <http://povertydata.worldbank.org/poverty/country/IDN>.

management in the nine priorities of its national development plans for 2010-2014 and 2015-2019. The development plan states that the disaster management policy aims to reduce disaster risk and to increase the resilience of national and local governments, as well as communities facing disasters.

Agam district in West Sumatra, where the evaluated project is based, ranks as the 35<sup>th</sup> most disaster-prone of the country's 540 districts. The district's BPBD lists sixteen sub-districts as hazard-prone. Based on national government definitions, Agam has thirteen types of hazards, including volcano eruptions, tsunamis and erosion for coastal areas, as well as floods, earthquakes and strong winds.

Small and medium enterprises (SMEs) are large contributors to the Indonesia economy, and the Indonesian government has identified the role of the SME sector as pivotal in promoting growth, creating jobs and eradicating poverty. SMEs account for 99% of all enterprises, employ 89 % of the private sector's workforce, and contribute 57 % to the GDP.<sup>2</sup>

Research looking into SMEs affected by the 2010 Mount Merapi eruption found that 90% of SMEs closed (National Disaster Management Agency, National Team for Rehabilitation and Reconstruction, as reported by Oxfam staff). Reinforcing SME resilience and preparing small and medium enterprises for disasters had not been systematically attempted in Indonesia prior to this project.

### 1.2 Project implementation

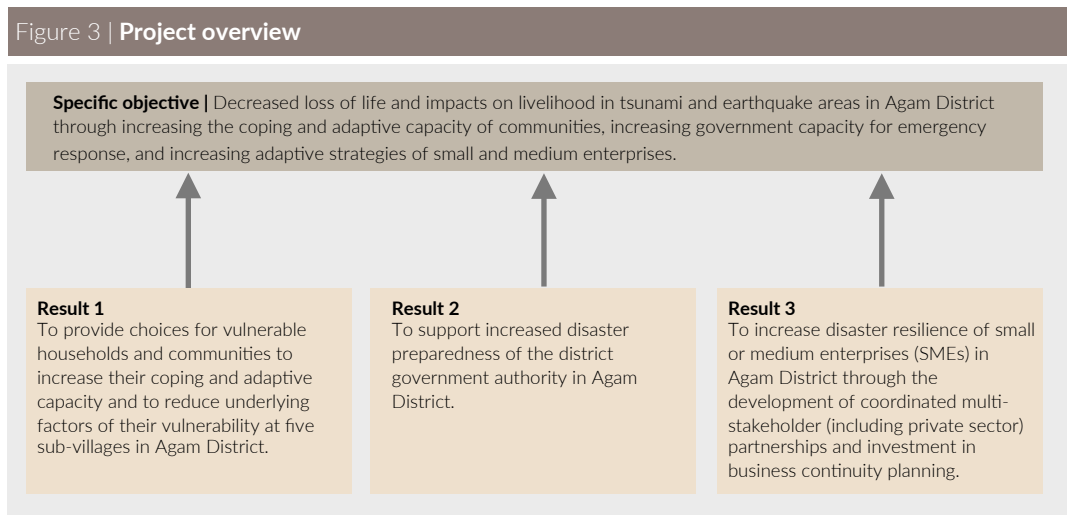
The Deepening Resilience in Agam District was designed to fill this gap, and explored new approaches to reinforce the resilience of small businesses and households while strengthening linkages with district-level actors (public and private).

The project built on the experience of several resilience-related projects (*see figure 2*) that Oxfam had carried out across the country, as well as of a resilience project in the West Sumatran districts of Agam and Padang Pariaman. In that project, Oxfam had already collaborated with local NGO Jemari Sakato.<sup>3</sup> Implemented between 2011 and 2014, the project had focussed on (a) prioritization and institutionalization of DRR, (b) risk assessment and early warning systems, (c) education, information and public awareness, and (d) enhanced preparedness.

Like that earlier project, the 'deepening resilience project in Agam district' project was funded by the Australian Department of Foreign Affairs and Trade (DFAT) through its Humanitarian Partnership Agreement (HPA) stream. Implemented between October 2014 and June 2017, it features three results and an overarching objective of reinforced resilience (*see figure 3 below*).

### KEY PROJECT DATA

- Project title  
**Deepening resilience in Agam District, West Sumatra**
- Implementation period  
**11.2014 - 06.2017 (32 months)**
- Budget  
**AUD 433,000**
- Donor  
**Australian Department of Foreign Affairs and Trade**
- Implementing partners  
**Oxfam  
Jemari Sakato**
- Project area  
**Five sub-villages and two extension villages in Agam District**



2. See International Finance Corporation 2016: [https://www.ifc.org/wps/wcm/connect/677906e9-398d-45c1-8f87-84e503292f50/SME+Indonesia+Final\\_Eng.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/677906e9-398d-45c1-8f87-84e503292f50/SME+Indonesia+Final_Eng.pdf?MOD=AJPERES).
3. JEMARI is an abbreviation for Jaringan Kerja Pengembang Partisipasi Indonesia (Network for Participatory Approach Support in Indonesia). Sakato is a Minangkabau word that means "one voice" or "one statement". JEMARI Sakato is based in the West Sumatran capital of Padang and started in 2004.

Figure 4 | Project phases

Phase	1	2	3
Dates	10.2014 - 12.2015	01.2016 - 06.2016	07.2016 - 06.2017
Oxfam budget (AUD)	58,945	17,053	50,784
Jemari Sakato budget (AUD)	141,055	85,947	79,216
<b>Total budget (AUD)</b>	<b>200,000</b>	<b>103,000</b>	<b>130,000</b>
Main activities	<ul style="list-style-type: none"> <li>• Participatory Capacity and Vulnerability Assessments (PVCA)</li> <li>• Disaster preparedness team (DPT) support</li> <li>• Government policy support/advocacy</li> <li>• DRR Forum establishment</li> </ul>	<ul style="list-style-type: none"> <li>• Food banks</li> <li>• Vulnerable household support</li> <li>• SME groups</li> <li>• SME clinic establishment</li> <li>• Government policy support/advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• SME groups</li> <li>• SME clinic</li> <li>• Extension villages</li> <li>• Government policy support</li> </ul>

The project was implemented in three phases - following the initial one-year phase, two extensions were granted that featured slightly amended focal areas (see figure 4). During the first two phases, five sub-villages were targeted. During the final phase, two more sub-villages were added.

The project started with a thorough assessment of vulnerable households and businesses, and then provided both capital to start or grow businesses as well as training and support to making businesses more resilient to stresses and shocks. This included the promotion of business continuity plans (BCP), insurance, technical support, and linking to government and private sector actors. Supported businesses range from sole traders to group-based SMEs trading in cosmetics, food, coconut oil, carpentry and other industries.

Geographical coverage was deliberately limited to a small area - a sensible approach for testing and adapting the new concept and approaches around SME resilience. In total, 258 households were supported, including members of 15 group-based SMEs.

The project also worked with thirteen government agencies to advocate for and support policy development related to SME resilience, and collaborated with four private-sector service providers to arrange insurance and technical support.





## 2. Evaluation objectives and approach

### 2.1 Evaluation objectives

The general purpose of this evaluation is two-fold: **first**, to deliver accountability to the donors (DFAT-HPA), and **second**, the identification of lessons learnt. These lessons enable the replication of what worked well and the modification of what did not.

The terms of reference (ToR) stipulate that the project was to be assessed in terms of the OECD/DAC evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability. Furthermore, the ToR prescribed provided specific research questions. These formed the basis for the development of the evaluation matrix - through which tools were the questions to be addressed (see figure 6 overleaf).

### 2.2 Evaluation approach

The research framework applies eight tools that were laid out in the inception report. Two general questions concerned the sampling of locations (sub-villages and SMEs), as well as the preparation or adaptation of the specific tools.

With regards to sampling, a purposive approach was selected, using the criteria listed in figure 5. On this basis, the four sub-villages of (a) Gasan Kaciak, (b) Banda Gadang, (c) Pasa, and (d) Pasia were selected, as well as a mix of seven SMEs that included industry areas such as fish processing, coconut oil production, carpentry and cosmetics.

In terms of analytical tools, eight means were selected and adapted for the evaluation (see the inception report for further details). These included:

Fig. 5 | Sampling criteria

Sub-villages	SMEs
<ul style="list-style-type: none"> <li>• Level of project-related engagement</li> <li>• The size of SMEs</li> <li>• SME coverage (food, fish, trading etc)</li> <li>• Hazard exposure and geography</li> <li>• Socio-economic status</li> </ul>	<ul style="list-style-type: none"> <li>• Performance</li> <li>• Size</li> <li>• Industry</li> <li>• Location</li> <li>• Gender</li> </ul>

4. The basic idea behind CBAs is simple: identify and quantify all expected and witnessed benefits (B) as well as all related costs (C) and then divide B/C to calculate the benefit-cost ratio (BCR). Generally, where the benefits exceed the costs ( $B > C$  and thus  $BCR > 1.0$ ), there is a positive benefit-cost ratio and thus a case for the suggested or implemented intervention.

What sounds simple in theory is more difficult in practice - and the CBA approach has several limitations: First, it looks at the overall costs and benefits rather than at their distribution. To identify the distribution of benefits (e.g. who were the winners and the losers?), other qualitative methods need to complement a CBA.

Second, CBAs face difficulties in assessing non-market impacts like those on health and the environment. Questions such as the value of a saved human life require difficult ethical judgements; in this context, CBAs should be used with caution. Similarly, CBAs tend to overlook environmental externalities.

Third, future benefits need to be discounted in relation to current benefits. But applying high discount rates, as it is often suggested in a development context, expresses a strong preference for the present while potentially shifting large burdens to future generations.

A final limitation concerns time and scale: since a cost-benefit analysis involves estimates, the usefulness and robustness of a CBA generally decreases as time and scale increases.

Generally, CBAs must be understood as an approximation rather than an expression of the exact economic value of a given investment.

- **Staff reflection workshop (SRW):** Recognizing that project staff are the most familiar with the day-to-day operations around the project, we arranged this workshop with Jemari Sakato staff in Padang. The workshop provided an opportunity for staff to reflect on success factors, challenges and lessons - and proved rich in insights for this evaluation.
- Community workshops with three tools - **trend analysis (TA)**, **hazard and coping strategy analysis (HCS)** and **focus group discussions (FGD)**. In each sampled sub-village, a sample of beneficiary households was gathered to discuss project outcomes and lessons. The workshops began with a gender-disaggregated analysis of trends: Participants were asked to rate aspects of their living conditions (livelihood, disaster preparedness, food security, water, health, gender relations, social cohesion, and connectedness) for each year between 2014 and 2017. Where trends emerged, they were asked to identify underlying factors. The second exercise included the analysis of hazards and coping strategies. Related to the 2009 earthquake, participants were asked about hazard-induced damages and losses, coping strategies and recovery periods, as well as the level of external support. Crucially, we discussed the extent to which coping and recovery would differ in case of a similar future disaster. Building on the results from the two previous exercises, the focus group discussion served as an opportunity to 'dig deeper'. Results are provided in appendix D.
- **Key informant interviews (KII):** Semi-structured key informant interviews were conducted with a range of government officers, private sector partners, SME owners, and project team members. The full list of interviews is provided in appendix I.
- **Most Significant Change (MSC):** We recorded ten stories that expressed the most significant changes in people's lives as a result of the project. Stories were collected from two beneficiary groups - (a) target vulnerable households and (b) SME owners. The stories were then discussed with the Jemari and Oxfam project management team and shortlisted. See the centre-fold (starting on page 12) for the five selected stories.
- **Cost-benefit analysis (CBA):** CBA is a well-established tool amongst economists to help make decisions as to whether a proposed investment shall be pursued or not (*ex ante*). In the development context, cost-benefit analyses are also used to assess efficiency of past and present programmes (*ex post*). We studied seven SMEs and analyzed their outlook through the CBA lens (*see chapter 5*).<sup>4</sup>
- **Document review (DRE):** At the start and throughout the evaluation process, we reviewed the key documents - logframe and proposal, budget, and progress reports.

### Limitations

The evaluation study progressed as planned and without any major challenges, in spite of the timing during Ramadan and initial flooding in Padang. However, some limitations are worth noting.

Baseline and assessment data was not available during the inception and design of the evaluation. It was only after the field research that Jemari Sakato's baseline data became available to the consultant. This information is useful and would have added value to the evaluation, however the data can be used for an endline study.

One government agency postponed an appointment (District Budgeting and Planning), and due to tight time schedule, the consultant was not able to reschedule the interview. Furthermore, in the two government department interviews, some government officials had been rotated and were not fully familiar with the range of project activities.

Figure 6 | Evaluation framework

Criteria	Research questions/indicators	Tools								
		KII	MSC	TA	HCS	FGD	CBA	SRW	DRE	
RELEVANCE & APPROPRIATENESS	To what extent do households regard the interventions and outputs as relevant?									
	To what extent are the interventions seen as appropriate by households and communities?									
	To what extent are the interventions aligned with government priorities (plans, policies)?									
	To what extent do government authorities see the interventions as relevant and appropriate?									
	To what extent do the supported businesses and associations see the interventions as relevant and appropriate?									
EFFECTIVENESS (WITH ASSESSMENT IOF TARGETS)	What were the major factors influencing the achievement or non-achievement of the objectives?									
	1.1 Most vulnerable households in Agam district are aware of and in five sub-villages have practiced household-level safety mechanisms, such as retrofitting houses and meeting building codes for new houses.									
	1.2 25 vulnerable HHs have developed livelihood strategies to enable them being resilient in time of shocks									
	1.3 One community has developed food banks or other local contingency resource mechanisms									
	1.4 More resilient livelihoods of 25 vulnerable households to disasters and shocks									
	2.1 Agam district government authorities have developed a contingency plan and tested it through disaster simulation.									
	2.2 One multi-stakeholder DRR forum developed and active.									
	2.3 District DRM and DMP recognised and ratified by the district government.									
	2.4 Increased understanding and capacity of key LDMA staff in promoting resilience									
	2.5 Effective early warning implementation of district DRM regulations									
	2.6 Strengthened function of DRR forum									
	2.7 Increased DRR integration into district mid-term development planning									
	3.1 Five SMEs in Agam district have simple mechanism for their business continuity plan (such as micro-finance disaster insurance)									
	3.2 One big private private sector actor and two additional large private sector actors are working with related government authorities in West Sumatra to support the mechanism of Business Continuity Management (BCM) of small business enterprises.									
	3.3 Increased awareness among government and private sector actors on BCP approaches and mechanisms to support them.									
	3.4 Increased commitment of district government on SME resilience works									
	3.5 Increased resilience of targeted sub-district area as result of the implementation of area-based BCM									
	EFFICIENCY	To what extent was the project set-up (structures, procedures, activities) efficient?								
		Do the (expected long-term) benefits justify the costs? (CBA summary)								
Was the project implemented in the most efficient way, compared to alternatives?										
IMPACT	What have been the immediate benefits/impact thus far (financial, social, other)?									
	What are the expected long-term benefits/impact of the intervention?									
	To what extent did the project have an effect on government policy and support to resilience?									
	What is the likely long-term impact on resilience amongst households, communities, businesses and government?									
	What have been the immediate benefits/impact thus far (financial, social, other)?									
	What are the expected long-term benefits/impact of the intervention?									
SUSTAINABILITY	To what extent are supported households willing and able to continue pursuing activities and outcomes?									
	To what extent are measures likely to be scaled up?									
	To what extent are government agencies willing and able to continue pursuing activities and outcomes?									
	To what extent are measures likely to be scaled up?									
	To what extent are supported SMEs willing and able to continue pursuing activities and outcomes?									
	To what extent are measures likely to be scaled up?									



SECTION B | **FINDINGS**



## 3. Relevance

To what extent was the Deepening Resilience in Agam District project relevant and appropriate? In this chapter we investigate first the relevance from the perspective of households and SMEs (3.1) and then from the perspectives of involved government agencies (3.2). Finally, we analyze the extent to which the project interventions have been appropriate (3.3).

### 3.1 Household/SME perspectives

The project is seen as highly relevant to beneficiary households - for two main reasons. **First**, targeting: the project team devised sensible selection criteria and thereby identified those households in greatest need of support (see figure 7). Unsurprisingly, many beneficiaries include female-headed households and those caring for persons with a disability. **Second**, thematic scope: the project addressed the key concerns of those households, as identified through a participatory process.

As the trend analysis results demonstrate, vulnerable households identified their priority in meeting daily needs through adequate income. Across sampled sub-villages, women said they would like to have the resources to send their children to school (transport costs and other school-related expenses). Many other basic needs meanwhile - such as water, sanitation and health - were self-assessed as being acceptable (considered 'average' or better).

Principally, the project addressed two inter-related aspects to resilient businesses, and to thus 'meet daily needs through adequate incomes'. The **first** aspect concerns reducing stressor or shock-related damages and losses. This includes direct losses (e.g. a destroyed asset) and as well as indirect ones (the loss of income that would have been generated with the destroyed asset).<sup>5</sup> The **second** aspect - increased business income - does not appear in the logframe, but is powerfully demonstrated in the cost-benefit analysis (see chapter 5).

While higher business income does not automatically increase resilience (against economists' claim that 'the best way of being resilient is being rich'), greater income **enables** becoming more resilient, primarily through the accumulation of financial reserves and better access to loans.

Training and support in business development (including through the 'SME clinic'), capacity-building in terms of financial literacy, provision of technical skills (e.g. training on production, packaging, labelling and marketing) and the capital and/or resources to kick-start or grow a business are seen as relevant and indeed pivotal elements of the project. Theoretical considerations, household perspectives, and the analysis of outcomes (e.g. enhanced food security and greater ability to invest in children's education) leave little doubt of the relevance of training and technical support.

Informed by research on the performance of SMEs following the 2006 Yogyakarta earthquake, the project helped prepare households and SMEs for calamities: through links with micro-insurance providers and government agencies as well as the promotion of savings and other resilience measures, it can be reasonably expected that post-stressor performance will be better than without the intervention.

### 3.2 Government perspectives

Key officials of the two main government departments involved in the project - the Department of Industry, Trade, Cooperatives and SMEs and the Local Disaster Management Agency (BPBD) - expressed appreciation of the novel approach of Oxfam and Jemari Sakato. With Agam ranked as the country's 35th most disaster-prone district, and

#### Relevance:

*"The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies."*

OECD 2010:32

Fig. 7 | Selection criteria

<b>1. The condition of the household location</b>
<ul style="list-style-type: none"> <li>• Condition of the residence</li> <li>• Evacuation route access</li> <li>• Capacity of the house</li> <li>• Physical condition of the building</li> <li>• Home health standards</li> <li>• Level of isolation/remoteness</li> </ul>
<b>2. Socio-cultural conditions</b>
<ul style="list-style-type: none"> <li>• Level of access to decision-making</li> <li>• Access to government support</li> <li>• Participation in business groups</li> </ul>
<b>3. Livelihood conditions</b>
<ul style="list-style-type: none"> <li>• Level of natural resource dependency</li> <li>• Ability to meet primary needs</li> <li>• Level of household debt</li> <li>• Access to finance</li> </ul>
<b>4. Health conditions</b>
<ul style="list-style-type: none"> <li>• Health problems</li> <li>• Access to health services</li> <li>• Health insurance</li> </ul>
<b>5. Expertise in business development</b>
<ul style="list-style-type: none"> <li>• Business expertise</li> <li>• Productivity/track record</li> </ul>
<b>6. Assets and control of the means of production</b>
<ul style="list-style-type: none"> <li>• Overall assets</li> <li>• Mastery of the means of production</li> </ul>
<b>7. Number of dependents</b>
<ul style="list-style-type: none"> <li>• Number of dependents</li> </ul>

5. Following a stressor, a highly resilient business would experience a 'shallow and short' economic downturn before returning to the pre-shock baseline. A less resilient business meanwhile would encounter a 'deep and protracted' downturn: not only would initial losses be greater. The accumulated indirect losses over the recovery period would add to the overall impact on the business.

with little prior consideration paid to the resilience of SMEs, the department officers found the new approach highly relevant. Working on SME resilience was new and not without challenges. Agam's district departments nonetheless supported the project measures.

The project identified and filled a gap within government programming in Agam district. BPBD was covering disaster preparedness and resilience measures, but had not considered SME resilience. The Department of Industry and Trade had been supporting SMEs, but had not thought to specifically target SMEs in disaster-prone areas. The project filled this gap and assisted both departments to use their mandates to promote and support SME resilience. Many government departments have now incorporated SME resilience into mid-term planning.

### 3.3 Appropriateness

While the relevance lens looks at the extent to whether what was *provided* was *needed*, we use the appropriateness lens to look at whether what was *needed* was *provided*, and whether it was provided in an appropriate manner and quality.

Generally, the interventions are found as being highly appropriate - the outcomes speak for themselves. The level of innovation and attention to technical details are commendable. In terms of **coverage**, it is found that the number of supported households and SMEs was rather small. While the sound targeting proved effective for piloting a new approach, indications from group discussions suggest that more households and SMEs may require support - upscaling the innovation is therefore recommendable.

In terms of **technical support**, the project showed a strong performance. The fact that six of forty businesses (15%) failed should not distract from this observation - however, it may be useful to investigate further why these households failed to succeed. Another issue concerns the available insurance levels promoted by the project: while the maximum IDR 2.5 million level is appropriate for very small businesses, those with greater assets remain with high levels of risk. Indirect losses remain entirely un-insured.

Regarding **inclusiveness**, it is found that the project team paid appropriate attention to gender issues and integration of persons with disabilities. It ensured that women participated in meetings and groups, and selected households meeting vulnerability criteria. However, Jemari and Oxfam did not work deliberately to educate and involve the wider community around inclusion issues. There is room for the project to develop and work with community attitudes on gender and people with disabilities, which should aim for greater community inclusion.

For example, in Pasia sub-village, the community reported a strong change around the ability for women to earn money and contribute to family income. Despite this positive change, there were disagreements between the men and women around gender roles and decision-making. The community could not agree on who should decide how to spend the women's additional household contribution. Some men said that women could decide how to spend most additional income and only large purchase decisions need to be discussed or approved by the husband. However, other men said that all purchases, large or small regardless if women earned the money or not, had to be decided by the man, respecting what they see as cultural norms.

In some cases, men expressed that they felt left out of the project - and wondered why women were the main beneficiaries. Two trends emerged that may require further investigation and action - (a) shifting household power balances through increased earning ability for women, and (b) strong female participation with women as the main recipient of project benefits. There is a potential for both trends to be a starting point for gender-based conflict and tension. Future projects should ensure that mind-sets are tackled around gender and disability inclusion, not just meeting participation rates (see chapter 8).



# Stories of change

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At the centre of this evaluation report, we present the people at the heart of the project - the SME business holders that have grown more resilient with the support from Oxfam and Jemari Sakato.

The five stories in this centre-fold were collected through a Most Significant Change (MSC) process.

Muliati from Banda Gadang sews a hijab for her small business with a machine that was supported by the project. This business and her savings allowed her to support her family in tough times. Her husband passed away last year from an illness.



Five-footed trader | Ibu Roslaili

**Ibu Roslaili (61)** of Pasa sub-village in Selatan Tiku works as a 'five-footed trader', as Indonesians call trolley-based street vendors. With the help of Oxfam and Jemari Sakato, she managed to get out of debt and increase her income - enabling her to better care for her mentally ill son.

PHOTO: S. MARR, BANYANEER

I have three children, two girls and one boy. The two girls are already married and do not stay with me, they moved away. I have one son, 33 years, who is in bad condition. He has mental health issues/ disability.

When he was 17, he finished studying at senior high school and worked for six months. After that time he started to be stressed and depressed and his condition was bad. Until now this is the case, and he lives with me. My cousin lives nearby. I live by myself and with my son. I got divorced in 1992 and I stayed with my children.

#### Occupation

I used to sell snacks - cooking and selling traditional pancakes. I used to make some kinds of donuts and some fried snacks. I can also tailor and mend clothes for others. Now my income comes from selling snacks from a mobile trolley. Jemari supported me with this. I got this trolley so my main income is from that.

Jemari got information about me from the sub-village officer, who was my neighbour. Then Jemari did an assessment of me. They visited my house

and could see my house was old and not good to use anymore. Then they asked me about my feelings and my conditions. Jemari asked if they could support me. I replied for sure, I want this support and then Jemari asked to visit my kitchen.

Then they also asked what I needed to sell my products and I informed that maybe I need an easier way to move my food to the market. They suggested the trolley.

Previously I sold snack packets and gave them to other stores to sell and to the school cafeteria. Now I move with my trolley from my house to the main village area. I walk with my trolley past the school, the public health centre to the market and other schools and then to the junior high school.

I start at 6.30 am and work until noon. Then I go home and prepare for the next day. During Ramadan I stop, as the students do not go to school and everyone is fasting. Also, I cannot move a lot and I want to focus on praying during Ramadan.

The project is important as it helped me to solve my problems, especially for my livelihood. I started

to make more profits from my business and I can buy things for my son and also have good food. I was also able to pay back my loans that I had taken from other people. I increased my production and can sustain my production.

Jemari gave me training on disaster preparedness, savings, insurance and also book keeping. I like the business training, about capital, and I learnt that there are alternatives on how to sell.

### Changes

My daily economic situation is different now. Previously I could not save any money – I had to take too many loans to our cover food. Also, I was not confident to join social activities. Now I feel comfortable and I feel motivated to continue to improve my business.

I got advice from Jemari about how I can face disasters. Before the Jemari project, we were only surprised and shocked by disasters like earthquakes.

Now I can prepare myself with my grab bag. It has my important documents, my savings book, my insurance card and certificates of children's school or study. The bag also has spare clothes and a hijab.

I have saved in case another disaster comes. A while ago, I had five million Rupiah (AUD 489) and now I have one million Rupiah (AUD 98) – I had to spent some of it in the house and clothes.

Previously, I didn't have a bank account, I am really happy to have this account, I feel like I can survive with this. I save 10,000 per day and put it in the bank.

I don't go to sell on Sundays – I rest. If there is a holiday I can't sell my products. Three times a year, I get money from my two girls who live away. I put it into my savings to repair my house. Jemari helped repair my kitchen, they supported to build

the roof. I already requested to fix my house but they said they could not as it is not a part of the project.

So I decided to spend my savings from my business to repair the house myself. Previously, I didn't use a gas stove - I was scared! I was scared it would explode - but now I use it and it is normal for me.

All the people around my house use gas. Jemari bought the gas stove. I hope it never will never get damaged. But if it does get damaged, I have my savings but I hope I don't need it - and that I can use my new stove for a long time.

### Most significant change

Previously, I just focussed to look for money to support my life. Now I can relax in my work and enjoy my work. For food I can eat a variety of nutritional foods like chicken, beef and fish and some vegetables. In the past, I would only buy fish or also depend on other people giving food to me.

I used to only focus on paying my loans. I had to pay 11% interest. Now they are paid.

I can also help my son and get some medicine for him. Now if I need to give him medicine I will mix it into the food and I can manage this way. We are enjoying our life more together and we have more courage to do things.

### Challenges

If a disaster comes this will be my challenge, strong winds, and earthquakes are common here. My house as it is not well made and might break in an earthquake.

Also, it is easily damaged from strong winds. I never faced a big disaster before, but through Jemari's capacity and information I feel I can face disasters.

### Suggestions

They could have given more support to giving capital for the business. I feel shy to request from them because they have given a lot, and the equipment they have provided me has supported my life.

## Stronger nets | M. Aminulla Yamin

**M. Aminulla Yamin (44)** of Pasia sub-village in Selatan Tiku works as a fish trader. He is also the village leader and disaster preparedness team leader. He was glad that Jemari Sakato and Oxfam connected him with government agencies that can assist his village.

PHOTO: S. MARR, BANYANEER

I have a wife and one daughter, she is two years and six months. I am a fish trader. Fishermen come to the shore, I buy their fish and help to sell to the market and I take a commission.

A few years ago, the sub-district government requested each sub-village to have a Disaster Preparedness team (DPT). I discussed with the sub-village and then joined the DPT. I am the sub-village legislative leader and also the DPT leader.

The project is really important. Jemari activities have increased our knowledge and capacity. This is especially important, since we are in a disaster-prone area. We also have connections to other actors and government now through Jemari. We are now connected to the government in the sub-district and many departments at district level - even some at the province level. We attended a workshop in Padang too. This is important because the government has resources and makes the budget - it means that we can access this money if we need it in our sub-village. The government also provides us information.

#### Changes

I now have better relationships in the village and also I have greater awareness on disasters. I have more knowledge from the general training. Since the project, I noticed that women now have more knowledge about disasters. I can see that women have their own business, and families have additional income from this.

Jemari successfully encouraged women and motivated them to start new businesses and to start working together as a group. This is positive. It means our economy is more sustainable. People are happier: they have more income to spend.

#### Most significant change

We can see economic development in the village - and that is the key. That is the most important. With this support and change people can have an open mindset and become more creative and innovative and can solve their own problems.

Community empowerment by Jemari pushed the community - there is now motivation to develop education for the children, and there is motivation to continue with new businesses.

Before Jemari came to our community, household income was only from the husbands' job - women just stayed at home. But now, women are more motivated and they started their own businesses. We can also see in the house they have more electronics and sometimes even motorbikes for personal transportation, this means they have saved money.

#### Suggestions

My advice for Jemari is that they should have more intensive field activities like supervision of small businesses, especially for women to expand. Furthermore, more beneficiaries need the SME business support. It only reached a small number of families.

## Enabled | Ibu Yasni

I am a single mother. I have four children - two girls (18 and 11 years) and two boys (21 and 14 years). I have been divorced for nine years.

My sister and my mother also live with us. My sister is mentally ill. My mother is 80, and my sister is 49. I also support them. I have been deaf since the divorce. During that time, I had a lot of stress - so this caused my problem. The children were young at the time and I was very distressed.

### Occupation and main source of income

Before Jemari came, I used to sell snacks door to door. After the Jemari project, I now produce cassava chips/crackers. Now the business has grown and now I am also farming chickens. Furthermore I can pay a labourer to work in my rice field. I am the only source of money for my household of seven.

Jemari have supported me. They gave me training in household resilience. I was selected as a "vulnerable" household and they helped me to prepare for disasters like earthquakes, tsunamis, floods and fires. They also gave me support for capital to buy raw materials (cassava) for my business.

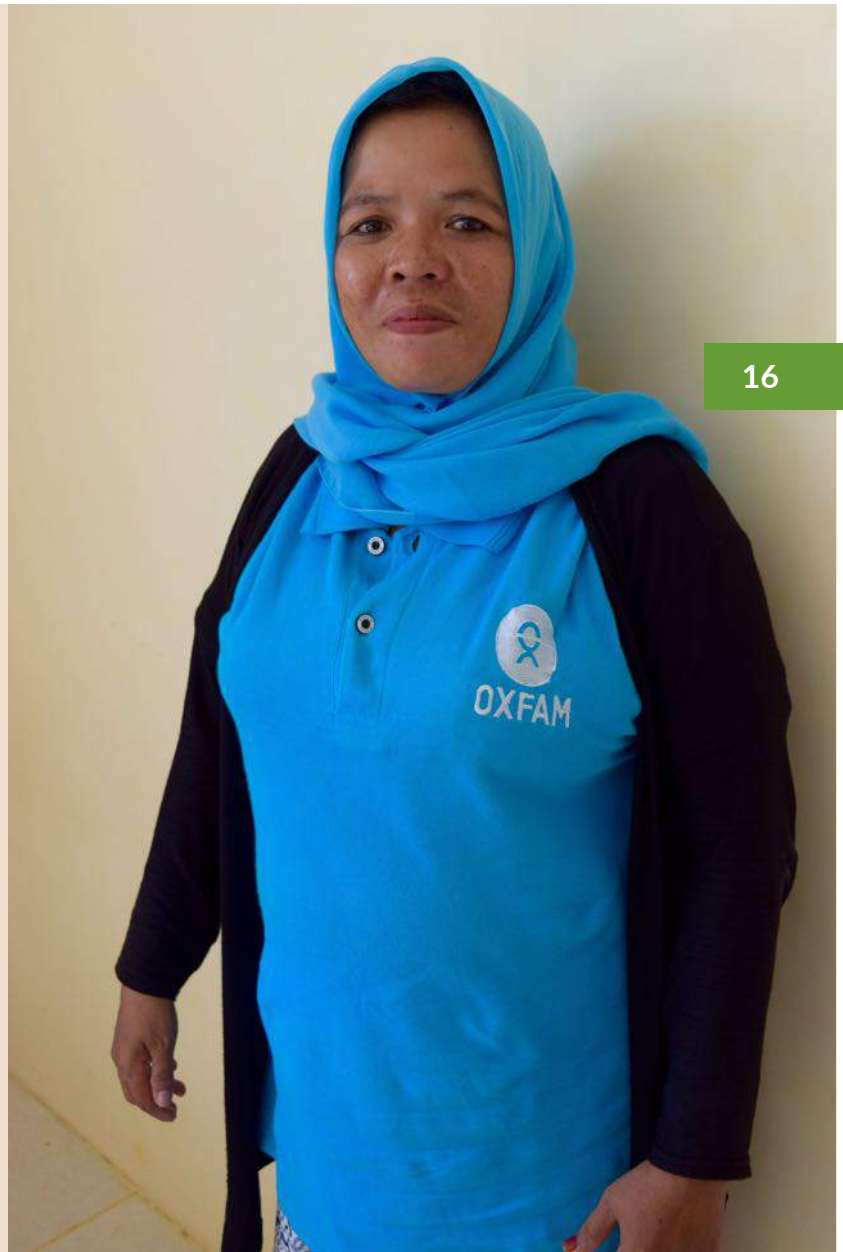
They taught me about financial management and book keeping. Now I have savings in the bank. I have never used a bank before. I also purchased insurance. From the cassava business I got more money and started the chicken farming by myself.

The project is really important, as it brought more value to my life. They helped me to renovate my house and I now have equipment like kitchen tools, and got capital to start my business. They supported me in showing me how to expand the sales of the business.

### Changes

First, I have been able to support my children to go to school - previously, it had been too difficult for me. Sometimes I could not afford to send them due to transport costs. Now I can send them every day.

Jemari also helped me to buy equipment like cabinets. Previously I didn't have these things, now I do. I can also save money. The savings come from income management, and I can make savings from the profits. I am also happier and feel lucky. My spirit has cooled down and I now have hope.



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### Most significant change

The most significant change for me is that I started my own business. The most important thing is that they gave me the raw materials. I didn't need the money, but they gave me the raw materials so I can make products.

Before the project supported me, I had 750,000 Rupiah (AUD 73) per month to support my family. Now I make around 1.5 to 1.7 million (AUD 147 – 166) per month profit from my business. I make a total of 3 million Rupiah gross (AUD 293).

I am the only one that survived in my village with this kind of activity -in terms of resilient businesses in my village. I have been the most successful. Oxfam invited me to speak about this in Lombok.

I went by aeroplane to Lombok with Oxfam. It was a good experience. I caught four different aeroplanes four times, (Padang - Jakarta - Lombok and return) I had three days in Lombok. I felt

**Ibu Yasni (46)** from Gasan Kaciak sub-village in Selatan Tiku produces cassava crackers - supporting her household of seven. As a hearing-impaired single mother, Yasni says she is not scared of hard work. Though the project, she has learnt to improve her business, manage cash flows and make savings. With the additional money, she is happy to be able to send her children to school and provide more nutritious food for her family, rather than just rice and salt as in previous times.

PHOTO: S. MARR, BANYANEER

happy to stay in the hotel. In Lombok I shared my experiences at the meeting. We didn't go outside for sightseeing, so for me the best part was the flight and staying in the hotel. I was surprised how much food there was during the meeting!

Another important change has been that I can improve my cash flow. I have a savings book. I can track what I earn and what I spend. Here are the books. I have saved 6 million Rupiah (AUD 587) as of May 2017. These savings are so I can be prepared for disasters. If there is a disaster or an accident like a fire, I can use it. The savings are also for my children to go to university.

There is a difference in the variety in food in my house. Now there is rice with vegetables and fish. Previously, we used to just eat rice with salt. I can also buy some clothes. However, I still do not have electricity connected in my house.

### Strong woman | Ibu Yuli

I am married with three children. The first is a boy who is 19 years. The middle child is a girl (16) and last is a girl (12 years).

My husband is a driver – he drives a small mini bus to take children to school. I cook snacks and sell them and also crochet.

In the beginning, I came home from the Jemari workshop I explained to my husband about the activities and I attended the weekly meetings in the Jemari field office to discuss disaster preparedness for Small and Medium enterprises (SMEs).

I always attend the Jemari workshops and meetings with the community, especially with SMEs. Also was invited to go to Lombok and Manado with Jemari. In 2015 I got support from Jemari for my small business for cooking snacks and selling crochet items.

They helped with cooking and crochet materials. There is a big oven for cooking for baking. I make the big cakes in that. Also I make small size snacks.

### Challenges

I don't have challenges. I can manage the business, as my children also support me. Working hard is normal for me and I believed in this business - that I could make a good profit.

### Suggestions

My favourite part of the project was when Jemari advised me about savings preparedness. This was the best part of the project for me. Why? Well, these savings can be used when the disasters strike this area!

There was some equipment from Jemari as capital, but they still haven't given it – I requested a steam cooker and they promised to give it but haven't given it so far. Some tools that Jemari gave were broken and damaged. I broke it but then I was able to replace it. I hope this project can support and repair and retrofit the house further.

I am a volunteer with the SME clinic. I am the secretary of this clinic. I was elected as a board member for the clinic. We would like to give support to all SMEs in this village.

Because we know that SMEs still need capacity building and development, they need access to capital, improvements to the quality of their products, like packaging, labelling and marketing.

The project is really important. Before the project I felt scared in the earthquake. I was worried and scared about another earthquake in the future. After the support by Jemari I feel better and I know how to prepare for disasters like earthquakes.

### Changes

I am more self-confident since the project, I changed my mindset regarding preparing for disasters. Before I did not want to have material stock at home in case there was a disaster, I was scared. Now I can keep material stock for my business at home and feel safer as I know how to manage disasters.

Also my income has changed. It has increased. I can promote my products including my crochet. People buy my crochet to use them in wedding ceremonies; they are used as place sets. I also make baby booties, hats, table settings, scarves etc.





Before from the cake business, I only got one or two orders per week. Now I could get four or up to six per week! I have more money from that. Also I get orders from government meetings for snack boxes.

#### Most significant change

The most change is my mental attitude. I am now aware and can prepare for disasters. I am ready if a disaster hits. Before is there was an earthquake, like a tremor, I did not want to make products and sell them.

I used to need time to restart my business again. I had to take a break due to the stress. Now I know what kind of disasters there are and how to face them. I now don't need a long time to get back to normal and start work again.

#### Challenges

One challenge is that my husband needs to support me to join the activities, especially for the trainings. He selects which activity I can join or not. I explain first and then he decides if I can participate or not.

This is especially important for activities out of my home area, like trainings but for the business activities he really supports it.

This is a part of my husbands responsibilities; I am aware about that. For every activity invited by Jemari, I need a letter, not just a phone call. If something happens on the way I can prove what I was doing outside my village with this letter. This is just to be on the safe side.

Jemari usually gives a letter, but there was one time that was urgent and so they invited me by phone and I went, but after I got home my husband was a bit angry with me.

For capital I don't have problems, I have a small level of production - it is all I need.

#### Suggestions

I am really happy with this program and I can feel fulfilled with this project. I hope in the future Jemari can encourage more beneficiaries and include them in this project.

Sometimes Jemari didn't arrange the time or schedule for activities far enough in advance, so sometimes things were urgent and we had to prepare things in limited time.

It is not a good for us as we are housewives and run a business, so there are many things we have to manage.

**Ibu Yuli (44)** from Gasan Kaciak Pasa sub-village in Selatan Tikau produces food snacks and crochet. Before her work with Jemari and Oxfam she was scared of earthquakes which are common in her area. Now she says she is more confident to face disasters and could recover more quickly. She even volunteers in the SME clinic to support other small businesses in her area prepare for disasters.

PHOTO: S. MARR, BANYANEER



### Savings for safety | Pak Zarwirman

**Pak Zarwirman (49)** of Pasia sub-village in Selatan Tiku dries fish for a living. Through some small technological inputs for his business, he has been able to produce more fish with less costs and puts this money aside in a savings account. These savings are specifically incase a disaster damages his business. He needs these savings as at this time, fisherman cannot be insured against disasters in Indonesia.

PHOTO: S. MARR, BANYANEER

I have a beautiful wife and four children, two boys and two girls. The boys are 21 and 19. The girls are 16 and 10 years old. Two of my children can speak English. My main occupation is fish drying and processing. Also we have a grocery store.

#### Fish drying process

I buy the fish in the morning, around 100 kg per day. Sometimes I can buy 300kg or more and sometimes there are no fish. Sometimes there are too many fish, sometimes not enough. The price fluctuates. Today I bought 180 kg of fresh fish. It can make 70 kg of dry fish.

We have 21 productive days per month.

We wash the fish in fresh water and boil them. We add salt to the water for boiling. For this process I have a gas cooker supported by Jemari. Previously, we used petrol. This was very expensive and we used too much fuel. Now we can save 70% of fuel costs by using gas.

We put the fish on nets for drying. If it is a hot like today, it takes four to five hours. If it is a little cloudy, more time is needed. It can take two days if cloudy. During the drying process we have to reposition the fish (see photos).

We then take the fish from the sun and put it under a roof for an hour to cool down. After one hour, we pack it up. The dried fish are packed into

cardboard boxes. If we don't cool them down, the water molecules that exist in the fish will not be stable. If we pack them hot, it can make a bad smell.

Then I sell the fish depending on customers who come here (traders), or I bring it to the market. The profit is 10,000 Rupiah per kilo (AUD 0.97).

#### Fish processing group information

The group started in 2008 and we have 13 members. The Fisheries Department Security Agency supports our group.

With the group we got training from the Fisheries department on how to process the fish. We got some support as they supplied some of the solar drying nets from the department.

With the group we do social activities together and after Jemari joined with us, we got access to the bank and all members in our group now have savings in the bank. The name is "savings for disaster" and we have this in the bank. These savings are individual.

In addition to our individual savings, we have our group savings that we keep out of the bank for group purposes. The group savings has around 8-10 million Rupiah (AUD 792 – 990) and every month we collect 25,000 Rupiah (AUD 2.50) per member. Since we have had the system for a long

time, we have a good amount of savings. We can loan each other what we need. If we are a member of the group and we take a loan, we don't have to pay interest. Only members can take the loan. Although we are not obliged to pay interest, usually when someone pays back the last payment from their loan, they will give a donation. This is put into the group's saving. The loans are only used for capital for the business.

For my own disaster preparedness savings I now have 13 million Rupiah (AUD 1,287). I started saving in January 2016. I put money in from my profit. If we need it for family needs also we can take it too. The best part of this kind of savings is that the bank staff come to us to take a deposit or withdrawal. It is simple for us! This is for Jemari members and is special for our program. This is really convenient, as we don't have to travel into the bank.

I heard that this bank has now expanded this kind of savings to general public too. The best parts of being a part of the SME group are the social contacts, and the access to loans from our savings.

#### Project importance

The Jemari project is really important! We are just aware that we are in a disaster prone area- we are in the ring of fire. Many hazards are coming to us. There are some special things about this disaster preparedness. Before Jemari came here, we didn't have any information or knowledge about disaster response or how to prepare. Now after Jemari, we know how to evacuate and what we have to prepare and we also got links to the government departments that can support us after disaster hits. We also understand about disaster prone conditions. We have learnt and the project has increased our capacity.

Before we said when a disaster struck it is from God, it just happens and we can't do anything. But now we know and we are aware. It is true that it is from God, but we also know how to prepare our families and ourselves before, during and after disasters. So our mindset has changed.

#### Most significant change

We have changed our knowledge and awareness about disasters. Economically, the community has increased their earnings. Also my family's economic situation has improved.

Firstly through this new gas stove technology that Jemari provided, the amount I save in fuel costs, I put into my bank savings account (see photo with bank book)

With the gas we use a smaller cooking space and so we also reduced the salt needed. It takes more time to cook the fish, but we save on the costs of the fuel. The total savings are up to 70% of the normal expenses of running the processing.

So from these savings, I decided to put this into the bank. I take savings from the process, and not the profits from my business. This is why I call it disaster preparedness savings.

I had a small challenge with Jemari staff before. About using the gas or the petrol. In the beginning they didn't agree to the gas stove but I persuaded them and said 'let's try it'. They agreed in the end.

Technically they make the tools for the stove, Jemari made it, but the idea and the system came from me. I thought of the idea as I observed the meatball and fired banana sellers who use short gas cookers – so I wanted to try it for my business fish drying.

#### Insurance

In the beginning I was not clear about the ACA insurance, I just thought before when I do the savings with Kasiga Bank, I already thought insurance was included, but now I know it is not. I still don't have information about the ACA program for insurance.

#### Challenges

For my business the ministry of fishery and marine life declared a new regulation for fish and net types. They made a rule about one of the types of nets used for fishing. These nets are how my fish are caught – there is no other way to catch them as far as I know.

Now the government staff have started to enforce this rule. The nets are forbidden, but you can catch the fish. We are just surprised why this happened

#### Alternative options for livelihood

My only alternative for other work is to go back to cat fishing on the sea as all the fish that we can dry, only using this kind of forbidden nets. The government now bans these nets. I already discussed with our group and government and every body wants to ask the government not to enforce this regulation or to overturn this rule, this is a long process. Until now, we discuss this matter.

#### Suggestions

I hope Jemari can also link us to other government departments as they already some links and would be good to have more.



Evi Mala from Gasan Kaciak collects herbs from her garden to make natural beauty products. The project helped her establish another garden out of the tsunami zone, where she could continue to operate her cosmetic production business after a disaster.

PHOTO: SAMADHI MARR, BANYANEER

## 4. Effectiveness

### Effectiveness:

*"The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance."*

OECD 2010:20

The assessment of the project's effectiveness starts with the analysis of an underlying factor - the effectiveness of its project management set-up (part 4.1). The chapter proceeds with a review of the extent to which objectives were attained (part 4.2), a look at the activities that were found most and least effective (4.3), and finally with an outline of innovations that fell outside the logframe but yielded important results (4.4).

### 4.1 Project set-up

The evaluation identified several success factors and challenges in the set-up of the Deepening Resilience project. Let us have a closer look and start with the success factors.

**First**, the project built on the expertise of previous projects across Indonesia and in West Sumatra. In fact, the Agam project was designed as a successor of several resilience-related projects.<sup>6</sup> In West Sumatra, Oxfam had been working towards disaster risk reduction since 2005. And notably, Jemari Sakato and Oxfam started collaborating in 2011, when working on a resilience project in the districts of Agam and Padang Pariaman (also funded by DFAT-HPA). They had thus formed relationships of trust both between each other and with many stakeholders across the target area. The project tapped and integrated Jemari's considerable expertise in community-based work and their connections with the private sector and local government departments.

6. For an illustration of previous projects, see figure 2 on page 3.

**Second**, the project's limited coverage across a mere five sub-villages proved effective as a testing ground, as it allowed thorough assessments to identify the most vulnerable

households as well as small businesses that could be assisted. This focused limited approach enabled the project to work in a new field (livelihood and SME resilience), to try out different approaches, and to quickly adapt according to progress.

Related to this, the **third** success factor is seen in the ability to reflect and adapt. In fact, the evaluation observed that the project constantly improved and innovated over the three phases and over the course of the 32-month project. However, with this experience now well and truly under their belts, new projects should plan for a wider reach to increase beneficiary numbers to the medium scale.

The **final** success factor concerns the combination of capital support and training: with access to capital being one of the initial limitations seen by beneficiaries, capital support gave the opportunity to grow business and increase both income and profits. In the case of micro-businesses, this enabled working on resilience measures and continuity plans - the integration with their promotion with the provision of capital is seen as a smart combination of measures.

The factors above led to the project being highly effective. Yet, several **challenges** were also observed that inhibited the capacity to induce even greater change.

**First**, the level of staffing: with a limited budget and beneficiary reach, there were limitations on the number of field staff that could be recruited to support community actions. This was somewhat problematic. The project only funded two field staff for Jemari, and with such a broad range of community actions, they needed additional staff. Addressing this gap, Jemari funded two additional field staff from its own resources.

A related aspect concerns the background of staff: with all field staff being social scientists by training, they proficient in community facilitation and mobilization but had little business development skills or experience. Given the novelty of SME resilience programming (and aspects such as business continuity plans), this is understandable. Staff had to learn together with the SME owners, and could not always give the technical advice requested.

The **second** challenge concerns the fact that the project was funded in one-year phases through the DFAT HPA stream (with each new phase called 'extension'). Each extension had a slightly varied logframe and emphasis. The yearly phases also meant that the implementing time of each phase was actually ten months, rather than one year. This was too short for this type of project.

Related to this, the **third** challenge concerns documentation. There was a lack of clarity from Oxfam on project documentation, and ultimately the "big picture" of all the different phases. Jemari was found to be undertaking activities that were neither represented in project documentation nor reports that the consultant received. Jemari were able to insert new actions into the project and with good results. Nonetheless, Oxfam should more carefully track activities and outcomes and document them in clearer monitoring and evaluation systems.

Finally, it is found that the logframe was not "SMART"<sup>7</sup>. In this instance the poor logframe did not negatively impact the project. Rather, the project advanced on its own steam. However, it is noted that the logframe did not adequately reflect the diversity and the achievements of the project.

## 4.2 Achievement of targets

The Deepening Resilience project in Agam District met and exceeded its targets. It is a highly successful project and an example for future resilience projects across Indonesia and the region. Figure 8 shows the level of achievement of the project targets.

7. SMART stands for Specific, Measurable, Achievable, Relevant, Time-bound.

Figure 8 | Overview of achievements versus targets<sup>8</sup>

No.	Indicator	Level of achievement
<b>Objective 1   To provide choices for vulnerable households and communities to increase their coping and adaptive capacity and to reduce underlying factors of their vulnerability at five sub-villages in Agam District.</b>		
1.1	Most vulnerable households in Agam district are aware of and in five sub-villages have practiced household-level safety mechanisms, such as retrofitting houses and meeting building codes for new houses.	Total vulnerable HHHs 197 in target sub-villages. 40 vulnerable HHHs targeted. 5 vulnerable HHHs practicing safe housing mechanism. Household safety promoted to 300 HHHs across 5 sub-villages
1.2	25 vulnerable HHHs have developed livelihood strategies to enable them being resilient in time of shocks	31 Vulnerable households have developed livelihood strategies, increased income, savings, insurance. No exact numbers measured. Follow-up with endline recommended.
1.3	One community has developed food banks or other local contingency resource mechanisms	2 sub-villages have developed DPT, family and farmer food banks. 72 families have food banks, 2 farmer food banks, 1 DPT food bank.
1.4	More resilient livelihoods of 25 vulnerable households to disasters and shocks	31 have viable business at end of project. 22 have savings in bank for emergencies.
<b>Objective 2 To support increased disaster preparedness of the district government authority in Agam District.</b>		
2.1	Agam district government authorities have developed a contingency plan and tested it through disaster simulation.	Documented legalized contingency plan in 2017. Tested twice through simulations for Tiku Selatan.
2.2	One multi-stakeholder DRR forum developed and active.	DRR Forum developed. Active only through <b>whatsapp</b> . Good source of sharing information and ideas. Media role is important.
2.3	District DRM and DMP recognized and ratified by the district government.	Local regulations No 2, 2016. Ratified in March 2017.
2.4	Increased understanding and capacity of key LDMA staff in promoting resilience	At district level achieved. Also reached national levels (exceeded target). Adoption of SME guidelines. Budget of LDMA allocation increased. Before only thinking saving lives. Now thinking to protect livelihoods. LDMA capacity assessment conducted by Jemari. Endline to follow up.
2.5	Effective early warning implementation of district DRM regulations	7 units. Equipment for early warning (sirens) supported by national government. Jemari supported how to include early warnings into SOP and contingency plans.
2.6	Strengthened function of DRR forum	Rules and roles exist, but the government has not yet allocated budget to the DRR forum. Lack of coordination within forum, but media involvement brings public attention to disaster preparedness - this function was strengthened.
2.7	Increased DRR integration into district mid-term development planning	Now planning documents have risk analysis and now mission and vision related to disasters. DRR programs are now prioritized - Planning and Development agency (BAPPEDA)
<b>Objective 3   To increase disaster resilience of small or medium enterprises (SMEs) in Agam District through the development of coordinated multi-stakeholder (including private sector) partnerships and investment in business continuity planning.</b>		
3.1	3.1 Five SMEs in Agam district have simple mechanism for their business continuity plan (such as micro-finance disaster insurance)	43 SMEs (groups and sole traders). All 43 developed BCPs. Some drop outs. There are 258 SME members/sole traders. Out of 120 eligible SME for insurance. 97 have supported their own insurance. Endline will give more data. Proxy measure = insurance
3.2	3.2 One big private sector actor and two additional large private sector actors are working with related government authorities in West Sumatra to support the mechanism of Business Continuity Management (BCM) of small business enterprises.	Grafika, ACA, Bank - BPR, Semen Padang. MOU established with all four partners.
3.3	3.3 Increased awareness among government and private sector actors on BCP approaches and mechanisms to support them.	Government and private sector interviewed more aware and willing to support BCP. SME clinic one support mechanism. MOUs with private sector.
3.4	3.4 Increased commitment of district government on SME resilience works	Previously, there were no programs related to SME - now SME resilience is included in mid-term planning from 2016 - 2021.
3.5	3.5 Increased resilience of targeted sub-district area as result of the implementation of area-based BCM	Sub district BCM documented, sister village e.g Tiki Utara established DPT and preparing for hosting.

### 4.3 Most and least effective activities

Given the exploratory nature of the Deepening Resilience project, it is useful to analyze what worked and what did not. We list below the most and the least effective measures - structured along the lines of the three results.

#### RESULT 1

The project worked with 40 vulnerable households, five of whom were assisted with house renovations or retrofitting. This project worked towards this objective through:

8. The following colour codes illustrate the level of achievement:

#### Colour codes

- Exceeded target
- Achieved
- Partially achieved (with qualifications)
- Not achieved
- Not assessed

- Household 'Earthquake Safety' retrofitting of homes and training community builders
- Developing Community Action plans to increase livelihoods of vulnerable HHHs
- Implementing the diverse community action plans amongst the target HHHs
- Providing livelihood boosts through:
  - Financial Management training
  - Business management training

- Support (equipment not cash) through diversifying income streams, providing updated technology or equipment, and by sharing or transferring risks. This included promoting micro insurance for businesses and creating new saving accounts with banks.
- Creating Food banks in communities with Disaster Preparedness Teams, Farmer Groups, Family groups

### Most effective

- **Providing livelihood boosts through financial/business management training, and support to new business developments.** Many sampled vulnerable households increased their income through project support and were in a better position to cover basic needs.
- **Transfer of risks through insurance and savings.** Many vulnerable households were saving for the first time and were able to keep their funds in a bank account. Furthermore they were able to insure their assets against calamities like fire, tsunamis and earthquakes. This gave them confidence that they would be able to get back to work soon after any shock or stressor. Households also reported that the savings and financial training proved useful to recover from other stressors and shocks outside of natural disasters, like illnesses, and death of the main family income earner.

### Least effective

- **Providing livestock for animal raising (goats, chickens)** Livestock activities were problematic in some cases. Livestock was provided to some vulnerable households to improve income. However some sub villages reported they needed more training on animal raising and were not able to care for new livestock effectively. Some livestock died from disease and the beneficiaries did not know how to manage this development. More training, referral to government departments on animal raising/care was required.

## RESULT 2

The project worked with several district government departments.<sup>FN</sup> Activities included:

- Contingency planning drafting support
- Disaster response simulation support
- Disaster Management Regulation Development
- DRR Forum establishment (participants from Government, NGOs, Media, Private sector, Universities etc)
- Mid-term development planning
- Integrating DM Plan into strategic plan (Renstra) of local government unit (OPD)

### Most effective

- **The inclusion of SME resilience into the RPJMD** was an outstanding result - the insertion of SME resilience into the five-year umbrella strategic and budget planning at the district level. SME resilience was also included in national level RPJMN for five years. This was completed at the end of 2016.
- **Successful advocacy** to influence the local government to have **regulations on disaster management**.<sup>9</sup> These regulations included how the government will support community resilience, institutions and also how the government have allocated budgets for disasters. The role of community and SMEs in disasters was included in these regulations. All government agencies will refer to these regulations when planning their work
- **Budget allocation for disaster management at the village level**, and budget allocation for disaster response.

### Least effective

- **The DRR Forum** - although the formation of the DRR forum was effective, weak leadership from within the forum resulted in less active members. However, with journalists included in the forum, they are now able to play a role in informing communities about disasters.

9. The project collaborated with the following agencies:
  - **BPBD** - Local Disaster Management Agency
  - **BAPPEDA** - District Planning and Development Agency
  - **Dinas Perindustrian dan Perdagangan, Koperasi dan UMKM** - Industry, Trade, Cooperatives and SMEs Agency
  - **Dinas Perikanan dan Ketahanan Pangan** - Fisheries and Food Security Agency
  - **Dinas Lingkungan Hidup** - Environmental Agency
  - **Dinas Pariwisata, Pemuda dan Olahraga** - Tourism, Youth and Sports Agency
  - **Dinas Komunikasi dan informatika** - Communications and Information Agency
  - **Dinas Perumahan dan Pemukiman** - Housing and Settlement Agency
  - **Dinas Pendidikan dan Kebudayaan** - Education and Culture Agency
  - **Dinas Sosial** - Social Agency
  - **Dinas Kesehatan** - Public health Agency
  - **Dinas Perhubungan** - Transportation Agency
  - **Dinas Pemberdayaan Masyarakat dan Nagari** - Community Empowerment and Village Agency

### RESULT 3

The project worked towards this objective by:

- SME mapping in the target areas
- Resilience training for SMEs
- Business Continuity Planning (BCP) – testing and refining approaches
- BCP implementation for SMEs
- Input of software (training in business management) and hardware (equipment/capital)
- Development and testing of SME resilience guidelines (currently under finalization)
- Private sector mapping and identifying appropriate partners
- Engaging the private sector in providing relevant business training and links (marketing, labelling, packaging, safe food preparation)

#### Most effective

- **Combination of software** (training/mentoring) **and hardware** (capital/equipment) to SME. Sampled SMEs all reported an increase in profits since both these inputs. As small and medium enterprises cannot easily access capital, it was found that the small insertion of equipment was a vital element to the support to SMEs. Providing software only (training and mentorship) is unlikely to garner similar successes.
- The project also encouraged small business owners to **form groups**. The establishment of SME groups was beneficial for several reasons. Groups became eligible for more government services, were able to establish food banks, and set up savings and loans.

#### Least effective

The fishers and farmers can't access insurance yet. A limitation of the project was that it was not able to offer fishers or farmers disaster insurance, as the insurance agents do not yet offer insurance to these groups.

### 4.4 Other innovations outside the project plan

The project team explored additional options throughout implementation. While not listed in the logframe, the following innovations are worth replicating in future programming:

- **MBICT4D** The “MBICT4D” is a mobile application that was implemented and rolled out to target groups as a part of the project, to be used in times of emergencies for cash transfers, assessments and exchange of relief goods. There was no need to use the application during the course of the project as no disaster struck the communities. However the application will be present for time that it may be needed.
- **SME clinics** - the first of which was formed in May 2016 to assist in sustaining outcomes for target SMEs in Agam district. This is a volunteer-run centre with office space given by the department of Industry, Trade, Cooperatives and SME agency. The SME clinic provides three main services for Agam district SMEs - (a) facilitation of access to capital, (b) facilitation of capacity-building/training, and (c) promotion of SME products.
- **Scale up to reach “Hosting” communities in Tiku Utara.** In phase three of the project, the reach was scaled up to the village level and to work with 'Hosting communities". That is, preparing higher situated communities who have been identified to host Tsunami evacuees. These host communities are preparing in terms of hardware, ensuring there are adequate facilities and spaces in times of emergencies, but also preparing in terms of attitudes. Jemari and Oxfam understand from experience that it is important to foster acceptance and solidarity in hosting communities, otherwise stress and diminishing shared resources can be a point of tension and conflict. The project is covering all bases by preparing communities in high risk areas and also preparing communities in safer area to “host” evacuees. The sub-villages are identified as “sister villages” to foster solidarity and cooperation.
- **Establishment of a mini market for SME produce** Jemari has recently started a cooperative /shop in Tiku to sell SME products and to sell raw materials at wholesale prices for community small businesses. Profits will go back to Jemari and be channelled into future projects.





Ibu Lina feeds grated coconut oil into the oil processing machine.

PHOTO: SAMADHI MARR, BANYANEER

## 5. Efficiency

To what extent can the project be seen as efficient? We generally observed that the project used resources efficiently - working through a local partner (lowering costs) and targeting exceptionally well. Given the pilot nature of the innovative approach on SME resilience, it is reasonable that the budget of AUD 433,000 reached a limited number of households and SMEs. Even so, we find that the investments paid off handsomely - as the results of the cost-benefit analysis illustrate.

Figure 9 (overleaf) shows the summary results of six members of SMEs. It is structured in four divisions - costs, direct economic benefits, protective benefits, and the benefit-cost ratios. All divisions come with three timeframes - of 5, 10, and 15 years. These reflect three scenarios of the duration of benefits (and costs). Notably, the durability of benefits may differ significantly in practice and is difficult to predict - we take the ten-year timeframe as the reference point for further discussion.

**Costs** include initial project costs as well as contributions by the SME member, plus the annual costs the SME member has to contribute to maintain the benefit. **Direct economic benefits (DEB)** refer to profit increases directly related to the new activity promoted by the project - these materialize irrespectively as to whether a hazard occurs. In fact, all sampled businesses increased their monthly profits substantially - on average, by 163.7%.

**Protective benefits (PB)** include the avoided losses and damages (direct and indirect). This entails the insurance pay-outs (where applicable) and the reduced indirect profit losses due

### Efficiency:

*"A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results."*

OECD 2010:21

to faster recovery times. With business continuity plans and resilience measures in place, business owners estimated that it would take them only half (2 respondents), a third (1) or an eighth of the time to recover, when compared with pre-project recovery timeframes.<sup>10</sup>

Notably, protective benefits only materialize when a hazard occurs - to calculate their value on any timeframe, we thus need to take the annual probability of the hazard occurring into account. With the exception of case study 4 (annual floods, probability 100%), case studies refer to earthquakes, with the annual probability set to 20% (implying that a major earthquake would recur every five years). It should be noted that the study did not take a multiple-hazard scenario into account, given that the frequency of some hazards are difficult to predict (Tsunami).

10. Recovery timeframes refer to the time a business takes to recover from a stressor to the level of economic output prior to the stressor event.

11. Note that in our calculation of benefits and costs, we decided against the use of discount rates. Various authors have argued against (high) discount rates in the context of disaster risk reduction, since they inherently over-value the present over the future.

Without exception, the **benefit-cost ratios are positive**, as benefits outweigh costs by a factor of between 1.30 and 31.87 for the ten-year timeframe.<sup>11</sup> At the same time, it is noted that this is largely due to the direct economic benefits: largely due to improved profits, these are on average 7.5 times greater than protective benefits. On their own, in three of the six case studies protective benefits are lower than costs (implying negative, or below 1.0 benefit-cost rates).

In summary, the project investments have paid off. Protective benefits (avoided damages and losses) could be increased by raising the insurance amounts, amongst other measures: since the current insurance scheme has a limit of IDR 2.5 million, businesses with larger assets still remain at considerable risk.

Figure 9 | Summary table: cost-benefit analysis (figures in Indonesian Rupiah, IDR)

Case study number	1	2	3	4	5	6
Village	Gasan Kaciak	Banda Gandang	Banda Gandang	Pasa	Pasa	Pasia
Business type	Hand-made cosmetics	Tailoring and embroidery	Coconut oil processing	Carpentry	Snacks	Snacks
<b>COSTS</b>						
A. Attributable project costs	6,100,000	953,300	1,785,000	3,000,000	3,475,000	4,800,000
B. Investment costs by beneficiary so far	340,000	5,040,000	90,000	0	1,040,000	1,040,000
<b>C. Total costs 2014-2017 (A+B)</b>	<b>6,440,000</b>	<b>5,993,300</b>	<b>1,875,000</b>	<b>3,000,000</b>	<b>4,515,000</b>	<b>5,840,000</b>
D. Projected annual maintenance cost of resilience activities	1,840,000	40,000	40,000	0	4,040,000	40,000
E. Projected overall cost: 5-year timeframe	15,640,000	6,193,300	2,075,000	3,000,000	24,715,000	6,040,000
F. Projected overall cost: 10-year timeframe	24,840,000	6,393,300	2,275,000	3,000,000	44,915,000	6,240,000
G. Projected overall cost: 15-year timeframe	34,040,000	6,593,300	2,475,000	3,000,000	65,115,000	6,440,000
<b>DIRECT ECONOMIC BENEFITS (DEB)</b>						
H. Increase of annual profits	9,600,000	6,000,000	3,840,000	8,400,000	4,800,000	1,932,000
I. Projected DEB: 5-year timeframe	48,000,000	30,000,000	19,200,000	42,000,000	24,000,000	9,660,000
J. Projected DEB: 10-year timeframe	96,000,000	60,000,000	38,400,000	84,000,000	48,000,000	19,320,000
K. Projected DEB: 15-year timeframe	144,000,000	90,000,000	57,600,000	126,000,000	72,000,000	28,980,000
<b>PROTECTIVE BENEFITS (PB) - AVOIDED HAZARD-INDUCED DAMAGES AND LOSSES</b>						
L. Avoided direct losses in a major hazard event	2,300,000	2,500,000	2,500,000	0	2,500,000	2,500,000
M. Avoided indirect losses	800,000	4,200,000	6,240,000	1,160,000	2,712,500	200,000
<b>N. Total avoided losses</b>	<b>3,100,000</b>	<b>6,700,000</b>	<b>8,740,000</b>	<b>1,160,000</b>	<b>5,212,500</b>	<b>2,700,000</b>
O. Annual probability rate	20%	20%	20%	100%	20%	20%
<b>P. Annual avoided losses (N*O)</b>	<b>620,000</b>	<b>1,340,000</b>	<b>1,748,000</b>	<b>1,160,000</b>	<b>1,042,500</b>	<b>540,000</b>
Q. Projected PB: 5-year timeframe	3,100,000	6,700,000	8,740,000	5,800,000	5,212,500	2,700,000
<b>R. Projected PB: 10-year timeframe</b>	<b>6,200,000</b>	<b>13,400,000</b>	<b>17,480,000</b>	<b>11,600,000</b>	<b>10,425,000</b>	<b>5,400,000</b>
S. Projected PB: 15-year timeframe	9,300,000	20,100,000	26,220,000	17,400,000	15,637,500	8,100,000
<b>BENEFIT-COST RATIOS (BCR)</b>						
T. 5-year timeframe	3.27	5.93	13.47	15.93	1.18	2.05
<b>U. 10-year timeframe</b>	<b>4.11</b>	<b>11.48</b>	<b>24.56</b>	<b>31.87</b>	<b>1.30</b>	<b>3.96</b>
V. 15-year timeframe	4.50	16.70	33.87	47.80	1.35	5.76



Fishermen from Pasia village inspect the catch of the day. PHOTO: SAMADHI MARR, BANYANEER

## 6. Impact

To what extent did the project make a difference? Ultimately, resilience programming aims to reduce stressor-induced direct and indirect damages and losses. But since this outcome perspective of resilience is almost impossible to measure reliably, analysts have to turn to the functional perspective: to what extent do communities or businesses fulfill the functions that render them resilient?<sup>12</sup> We identified four broad impact areas.

The **first** area indeed concerns the outcome perspective of resilience: the expectation of a **faster recovery from future hazards** comparable to reference events in the past (usually the 2009 earthquake). Both the cost-benefit analysis and the hazard and coping strategy analysis point towards this direction: the CBA shows that supported entrepreneurs expect a faster recovery period, and thus less indirect losses. During the hazard and coping strategy analysis, many reported they would change coping mechanisms - rather than taking loans from family and waiting for outside aid, they would now be able to claim insurance to re-start businesses. Most of the Most Significant Change (MSC) stories (see centre-fold of this report) underscore this observation. People also said they would have the skills and the confidence to work towards their own recovery, rather than relying on external assistance.

While in line with the project's objective, it should be noted that this 'impact' will only materialize in the case of an actual hazard or stressor. The same also applies to the **second** impact area - an **enhanced level of disaster preparedness**. Across all sampled sub-villages, there were marked improvements in preparedness. This included greater confidence

### Impact:

*"Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended."*

OECD 2010:24

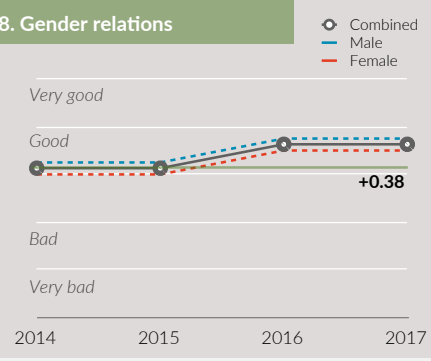
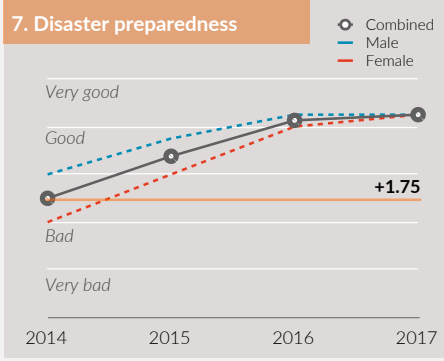
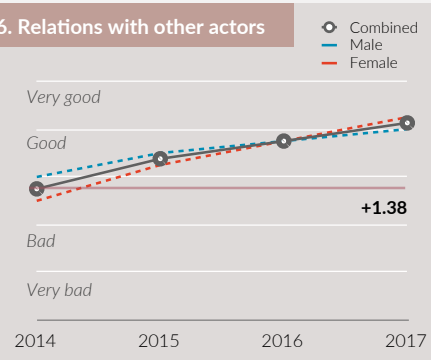
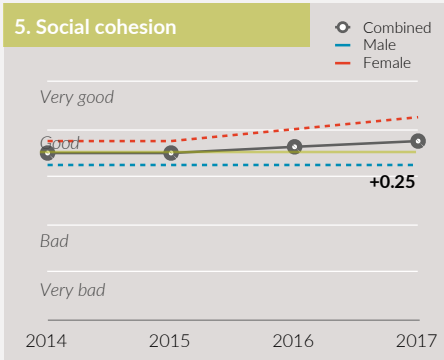
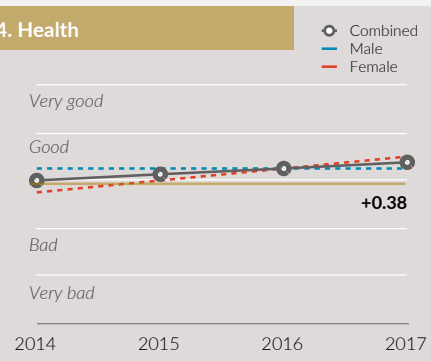
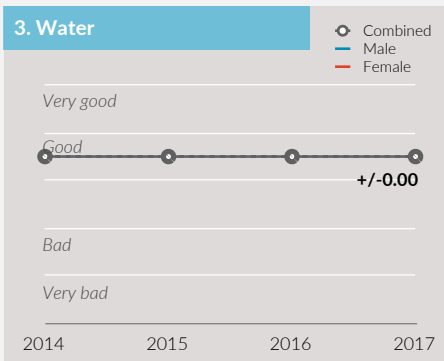
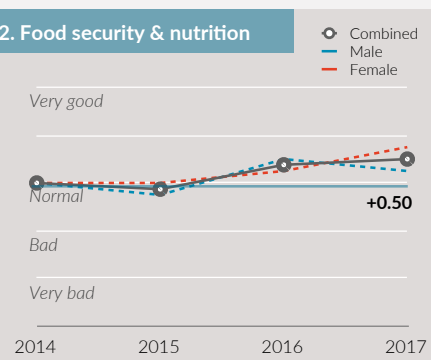
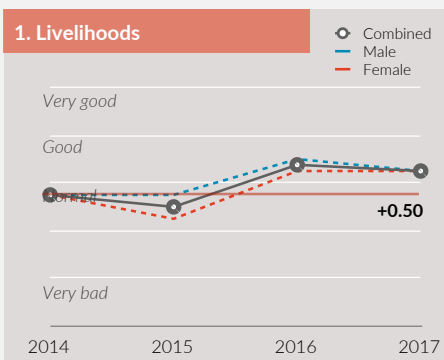
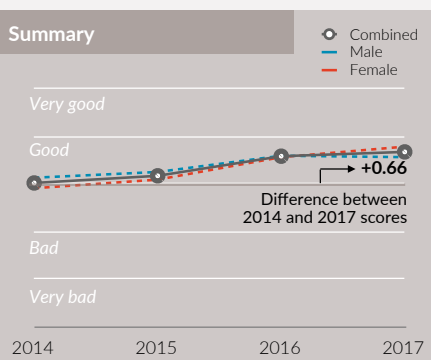
12. Oxfam's very broad definition of resilience combines the functional and outcome perspectives (as well as economic prosperity), saying that resilience is "not only about coping or 'bouncing back' from disasters, it is also about going beyond preparedness and risk reduction [...] and ensuring that poor and marginalized people can realize their rights and improve their well-being despite a range of shocks, stresses and uncertainty." (Oxfam 2016)

Figure 10 | Trend analysis summary

**How to read these charts**

The charts on this page illustrate the results of trend analysis exercises that were conducted in the sampled villages supported by Oxfam and Jemari Sakato. In each village, two groups (male/female) were asked to rate aspects of their living conditions for the years 2014-2017 on a scale from -2 (very bad) to +2 (very good). The black lines show the average figures, with the dotted red (women) and blue (men) lines showing gender-based trends.

The **Summary** is the average of all eight dimensions.



amongst people that they can take action to evacuate and protect themselves. In the trend analysis, people attributed this improvement mainly to the support of Jemari Sakato, with other factors being the support of BPBD and the environmental NGO Walhi.

The **third impact area** concerns **livelihoods**: from the MSC stories and the cost benefit-analysis we see a clear increase in profits from small business ventures of vulnerable households. The trend analysis revealed mixed results. However, fluctuations were mainly attributed to weather and fishing conditions, and downturns to crop failures resulting from pest infestations. Most up-turns were attributed to the Jemari/Oxfam interventions for SMEs and in particular in improving women's earning capacity and contribution to family income. Many were found moving out of poverty, with greater ability to cover basic needs (food, medicines, education).

Improved food security and nutrition were linked to livelihoods. Women from Pasa sub-village said: "We got information about the best seeds. In the past, we just bought food or imported it - now we plant and eat and sell the vegetables too. We now have access to our own vegetable gardens."

The **fourth impact area** concerns marked improvements in **connectedness** - stronger links to government departments and business associations. The women's group in Pasa listed the improvements:

"In the past, people were not motivated to link with government or other stakeholders. The poor community members were not confident to approach others, and nobody encouraged them to be a part of social data systems."

"Now everyone has confidence. The links are due to Jemari. We now have links with district departments, village level and sub district levels, as well as others: Kopering, Maritime and Fisheries Department, ACA insurance, Jemari, Grafika, World Bank, OJK, and the health department."

Aside from these four main impact areas, the evaluation also assessed other aspects - gender relations, social cohesion, water and health. In terms of **gender relations**, it was found that they either stayed at high levels or showed some improvements. This is a common result for groups responding to this question. Reporting a downturn in gender relations is highly unusual, since most groups would not feel comfortable to air negative issues in this forum.

Project impact on gender relations were explored in some FGDs and KIIs. Women reported some improvements in gender relations, attributed to improved knowledge, and the ability to participate more fully in business. Men said that Jemari has helped improve economic knowledge in the families and had improved women's contribution to the family income.

In terms of **social cohesion**, one community reported small issues around targeting only vulnerable households. Some asked why only vulnerable households received 'benefits' and not the whole community. This was resolved within communities and questions answered during the course of the project. One women's group reported advances in social cohesion due to women being more active in their communities: "Jemari encouraged more people to be active. In the past, some women were shy, now Jemari encouraged us to share and participate. We now have group savings and women's meetings."

Regarding **water**, there were no changes over the project lifespan. However, the majority of sampled sub-villages reported that water was sufficient and of good quality. With regard to **health**, the majority of sub-villages reported health as being static over the four-year period, with two sub-villages reporting improvements due to a) improved incomes and access to better quality food (project related) and, b) better access to health treatment (not project related).

In sum, the evaluation finds that the Deepening Resilience project had a positive effect on resilience - by establishing links with the private sector and a range of government departments, and by improving livelihoods and other aspects in the fabric of resilience (food security, social cohesion and women's participation).

Crucially, most communities predict that in the event of a calamity, they now have the skills and confidence to protect themselves and to recover more rapidly. Many sampled SME respondents said that with insurance, emergency savings, and detailed business continuity plans, they will be able to return to work and get back on their feet much sooner than before the project intervention.

Rather than just being able to respond more easily to shocks, community members are finding their own way out of poverty and of various vulnerable circumstances.

## 7. Sustainability

### Sustainability:

*"The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time."*

OECD 2010:36

The sustainability of an intervention largely depends on a strong sense of local ownership - local actors' **willingness** and **capacity** to continue running or maintaining the intervention's results. Neither willingness nor capacity is a fixed given.

Willingness can be maximized by meaningfully involving target groups from early on, by developing activities that address beneficiaries' most urgent needs, and by using tools that facilitate a high sense of ownership, for instance by requiring financial or in-kind contributions and encouraging group decision-making processes.

Local actors' capacity - skills and know-how as well as material and financial resources - can similarly be built up to an extent.

The project incorporated a variety of suitable mechanisms to enhance sustainability. Key factors in the sustainability of the Deepening resilience project outcomes are:

**The SME clinic**, established in May 2016, is a volunteer-run centre with office space provided by the Department of Industry and Trade. It provides three main services for Agam district SMEs (previously involved in the project) - (a) access to capital, (b) capacity-building and training for small businesses, and (c) marketing and support in promotion of SME products. Committed volunteers run the clinic, however they still need additional funding for transport and other costs. This clinic was set up to ensure SMEs had some level support beyond project conclusion. Jemari and Oxfam anticipate that the district government will support the clinic in future.

Another key that the project's outcomes will continue to be supported into the future is that the project is rightly identified as a 'model' by Jemari, Oxfam and various government stakeholders. With general enthusiasm, there are many stakeholders who are interested in keeping the project outcomes functioning into the future. This can also contribute to sustained interest and support.

### 7.1 Government and private-sector level outcomes

Government departments reported that they are very willing to continue supporting the results of the intervention, but still need support in some areas - particularly around community mobilization and facilitation.

SME resilience guidelines have been developed and are being finalized for government departments. SME resilience support has now been adopted in government mid-term planning. The Agam district government have certainly taken onboard the need to promote and support SME resilience. This is a new area that they have adopted during the duration of the project. The BPBD was impressed with the model of SME business continuity plans, where SMEs plan and enact protective measures before, during and after disasters.

The Department of Industry, Trade, Cooperatives and SMEs (Dinas Perindustrian dan Perdagangan, Koperasi dan UMKM) adjusted its focus to include and target SMEs in disaster-prone areas, rather than supporting general economic development across all areas. The Department of Industry and Trade also planned to continue to support the SME clinic funding and continue to provide the clinic with office space.

Despite this large shift in adopting a new paradigm of SME resilience, the two interviewed government departments say they do not have the capacity to sustain SME

resilience activities and outcomes on their own. Although they are *willing* (and have SME resilience built into their yearly plans), they do not have the *capacity* to take over all the functions from Jemari/Oxfam. This is a new area for all government departments, and more mentoring and support is required.

In particular, the government reflected that they require skilled facilitators like Jemari staff - who can work with the community and SMEs in a participatory way. There was also a dedicated Jemari government liaison officer who was successful in helping the different government departments coordinate on this issue. Government departments reported that coordination between the different departments was a challenge for them without the liaison officer. Support for government actors is still required at this initial stage of reinforcing SME and community resilience.

Linking private sector actors (Semen Padang, Grafika, ACA etc) with SMEs and communities was also a key in the project's success. Government agencies were surprised at the success of this collaboration, and how well private sector actors were able to teach the community about their business, and how to link with other stakeholders in the market. These links are likely to continue at least over the medium term. *New* links between the private sector and new SMEs/communities however are unlikely of being will established independently - only perhaps through the SME clinic.

## 7.2 Community-level outcomes

There is a high relevance of building resilience in communities in Agam. People are concerned with livelihoods and improving economic conditions. Hazards are an ever-present threat in this region, so people are motivated and likely to continue to act and maintain protective and resilience building mechanisms.

The project also encouraged SMEs to join and organize themselves in groups. These groups provide support and motivation for each other. Some groups have savings and loans functions. These loans are a way for SME members to access capital for their respective businesses. The study found these groups to be at various levels of capacity, from high to low functioning.

Highly functional groups are likely to continue pursuing resilience outcomes. However, many small businesses reported that they needed further training, mentoring and information to grow their business and become more resilient.

Since the project has only been operating for a short period of time, a ***consolidation period of support and guidance*** is suggested for SMEs and vulnerable households.

## SECTION C | MOVING FORWARD





## 8. Recommendations

As this report has demonstrated, the Deepening Resilience in Agam District project has been successful in attaining and exceeding its targets, thereby enhancing resilience and reducing the risk of its target communities.

The project was outstanding and can be reasonably counted amongst the most effective resilience projects seen by the Banyaneer team to date. At the same time, the evaluation identified lessons that may be learned to further increase the impact of future resilience projects. We list them below in order of priority - being crucial, important, or desirable.

### A | CRUCIAL

#### A.1 Scale up and consolidate.

The project was an overwhelming success, and the 'pilot' phases of this initiative should evolve into a longer-term program to reinforce resilience. The combination of the three strategic objectives worked well and should be replicated in future projects. It is advisable to consolidate current outcomes while also scaling up to other priority areas in Agam district. Oxfam and Jemari are well placed to continue this work as 'experts' in this new niche area of SME resilience. Both organisations should continue to track progress of the original beneficiaries from the 'pilot' project, and continue mentoring newly established businesses, partnerships and community initiatives. It is suggested to add a one-year consolidation period - building on government agencies' willingness while addressing their limited capacity to take over all facets of the initiatives.

#### A.2 Provide further technical assistance to non-food businesses

SMEs without a food focus still require assistance with labelling, packaging and marketing. It is likely that Jemari will continue the parts of the project with its own funding until December 2017. Jemari has plans to open a grocery store/market in Tiku. These trials and innovations should go ahead, consolidating ongoing activities.

#### A.3 Investigate 'failed' businesses and vulnerable households that dropped out.

Out of 40 target vulnerable households, six businesses discontinued their engagement. It is worth investigating and then addressing underlying reasons. It is recommended that Oxfam/Jemari research small business survival norms in Indonesia and continue to monitor and document conditions for small business failures. What was missing, what further support would have been needed for success? Initial research indicates that failures resulted from underlying vulnerabilities (illness, disability). If Oxfam and Jemari want to target the poorest of the poor, this area needs further investigation.

#### A.4 Invest in SME technical staff.

Jemari and Oxfam teams identified gaps in staff with technical knowledge as a main challenge. The technical area of SME resilience was brand new for both Oxfam and Jemari. Staff members were neither livelihood specialists nor were they experienced in business development. Although this experience gap was addressed by partnering with the private sector, there is room to systematically develop and invest in SME staff for future projects. Now that the project has staff and volunteers with three years of SME experience, staff should be further developed and re-deployed to new projects.

#### A.5 Extend SME clinic support.

The SME clinic is an innovative solution to help sustain SME resilience outcomes. This initiative is run by local and motivated volunteers and should be supported in the medium term. Advocating for long-term government funding of the clinics is essential.

**A.6 Invest in, train and enable local SME mentors.**

Growing a business takes knowledge, experience, and energy - new entrepreneurs require regular encouragement and advice. It is not realistic that project staff can mentor each business intensively, but Oxfam and Jemari can develop a system of SME mentors: these mentors could follow up, link to technical assistance/SME clinic and continue encouraging small business holders. These mentors could be SME clinic volunteers, other successful business holders, or group leaders.

**A.7 Continue combining capital and continuity plans.**

By combining capital support to vulnerable households and SMEs, the project raised interest and led to tangible improvements (increased profits) irrespective as to whether and when hazards strike. The combination of this capital support with resilience-related training and the promotion of business continuity plans proved effective and should be retained in future SME resilience programming.

**B | IMPORTANT****B.1 Assess and address gender power dynamics.**

The project did well to target and work with vulnerable groups, including female-headed households and creating women's SME groups. Some communities reported that women increased earning power and contributed more to household incomes. Barriers around decision-making remain however - with some men saying that all financial decisions are to be decided by men only. Thus, the project helped to increase women's earning capacity but did not address power dynamics. By not addressing mind-sets and gender attitudes in communities, this could create or aggravate gender-based violence. It is therefore recommended to analyze gender issues at the beginning and end of each resilience project. This will help track gender-disaggregated impact and inform programming refinements. Future projects should work openly with men and women to explore gender issues, particularly around income, decision-making and power dynamics.

**B.2 Explore additional options for SMEs centered around farming and fishing.**

While SMEs involved in trading have increased their level of resilience, those centered around farming and fishing remain unprotected by insurance. Major fluctuations in the livelihoods section of the trend analysis relate to crop failures (pests or weather) or fishing disruptions. Oxfam and Jemari should continue to advocate and investigate other insurance options for businesses in fishing and farming.

**B.3 Increase insurance amounts.**

With current insurance options just covering IDR 2,500,000 of assets, larger businesses would still lose substantial capital in the event of a hazard. Higher coverage levels should thus be explored with insurance partners.

**B.4 Monitor and support SME groups and food banks.**

SME groups and food banks are new and need to be monitored for issues, particularly around savings and loans. This can be done during the consolidation phase and then handed over to the SME clinic.

**B.5 Continue promoting safe shelter awareness but discard the 'hardware' aspect.**

There was little uptake of house retrofitting options. Respondents said that they were not currently building, and did not want to invest in retrofitting. Improving shelter safety is most effective through training of construction workers and carpenters, and through integration with DRR (household preparedness).

**B.6 Explore options for low-guarantee loans.**

Growing businesses need capital. Small business owners frequently reported that once they were competent at basic business functions, their greatest barrier to growing their business was limited access to capital. The project should continue exploring and advocating for low-guarantee SME loans.

**B.7 Continue targeting vulnerable groups while monitoring the possible impact on social cohesion.**

Continue to target vulnerable households but guard against the possibility of social divisions. Consider working with whole communities around issues of duty bearers, rights holders and vulnerability. Ensure that inception phases of projects include the whole community around inclusion and vulnerability topics in order to promote community inclusion and to protect against tensions.

**C | DESIRABLE****C.1 Enhance documentation and information-sharing between partners through an SME hub.**

The study identified gaps in project documentation: Largely due to the changes and extensions over the three project phases, these gaps (unclear targets, logframe, work plans, budgets) require consolidating. Throughout implementation, Jemari conducted more activities and achieved more than is documented in project reports. This is a significant gap and could have caused concerns if the project had been under-performing. As the project is a “model” for other projects and possibly other organizations, an information or knowledge hub could be created with clear documentation of approaches, experiments, key success factors, and lessons learnt.

**C.2 Improve procurement and maintenance for SME capital investments.**

Some SME reported issues with broken or low-quality equipment that was supplied via Jemari. There was an expectation for Jemari to ‘fix’ broken equipment and confusion over Jemari promises for added capital that was not delivered. This improved during the second and third phases, with Jemari cooperating with universities who provided advice on appropriate technology and equipment for certain businesses. This should continue, along with developing maintenance plans with SMEs. These plans need to be agreed ahead of supply, thereby ensuring that all parties are clear on responsibilities for repairs or replacement of faulty or broken equipment.

**C.3 Improve communication on the phase-out process.**

Many SMEs and community members were not convinced that the project was ending, and some people mentioned unfulfilled “promises” that Jemari had not yet delivered. This was mainly around additional equipment input into their businesses. Due to unclear start and finish dates (two extensions), communities expected the project to extend further. Jemari should clear up any unfinished “promises” or expectations and project finishing dates.

**C.4 Conduct an endline study and compare against baseline/assessment data.**

As project assessment and baseline data exists but was not available for this study, further quantitative research may be beneficial to better measure changes in income and recovery timeframes.

**C.5 Consolidate project actions and replicate in other hazard-prone areas of Indonesia and across Asia.**

A key success factor of this project was that it built on existing projects. The previous work in the region created the right environment for the project to succeed. By implication, opportunities to replicate and expand the Agam model should be sought in future programming, such as the recently launched ANCP-funded project in Lombok that already addresses SME resilience to some extent.



Members of a cat fish raising group feed the fish. They are now able to prepare for flooding by raising the nets - and do no longer lose fish in frequent flooding. PHOTO: SAMADHI MARR, BANYANEER

## 9. Conclusion

Five-footed traders, farmers, fisherfolk: as a result of the 'Deepening Resilience in Agam District', they are better prepared and more resilient. The sampled businesses expect that bouncing back from a disaster will be two to eight times faster than in a business-as-usual scenario. Even if their estimates were overly optimistic, the direction is clear: with better connections, business continuity plans, insurance and buffers, they are indeed likely to recover more rapidly.

Meanwhile, SMEs benefit already - regardless of when a stressor strikes: Average profit increases of 163%, greater confidence and better ability to cover basic needs in health, education and nutrition are direct impacts of the project that have already materialized.

It is this combination of quick and tangible rewards with the rather intangible and future benefits that made this project attractive to small and medium owners. Investments in disaster risk reduction tend to face the dilemma of indirect and often invisible benefits: while the investments are in the present, the rewards are in the future - and even then, the counterfactual (what would the damages and losses be like if we had not prepared ourselves?) is usually hidden.

Combining the tangible with the intangible - as done by the project - is a recipe for success: the combination increases local perceptions of relevance and facilitates sustainability.

In essence, the findings of this evaluation have two key implications for future programming. **First**, they suggest that SME resilience programming should be consolidated and scaled up in Agam District. While the interventions have shown effective and made a huge difference to the lives of business owners, Oxfam and Jemari Sakato would be well-advised to at least continue consolidation of current outcomes. Mentoring and supporting government agencies should be a priority in this context.

Grasping the opportunity to scale up and closely embedding government staff in the process would enable ‘passing two or three islands with one stroke of the paddle’, to paraphrase an Indonesian proverb.

The **second** key implication concerns resilience programming more generally: the project now has tested a new overall approach to SME resilience, identified activities that are most (and least) effective, and made staff members experienced in this new niche field. Thus, it would only be sensible to replicate the approach and fine-tune it to the local contexts in other parts of the Indonesian archipelago.

Taking the innovation further, it would be useful to share this approach beyond the country’s borders. It is our hope that this report can make a humble contribution to this process, helping Oxfam and other NGOs to cover an aspect of resilience that has thus far received little attention.



Implemented between 2014 and 2017 by Oxfam and its local partner Jemari Sakato, the project 'Deepening Resilience in Agam District, West Sumatra' explored an approach centered on enhanced resilience of vulnerable households as well as small and medium enterprises (SMEs).

Noting the importance of SMEs for economic development as well as a generally high rates of post-disaster business closures, the project approach was found to be relevant and effective.

As this evaluation report illustrates, the project can be used as a model for scaled-up follow-on projects in West Sumatra and should be replicated across Indonesia and beyond.