



MERCY CORPS INDONESIA

Capacity Statement

JUNE 2019

Overview

Mercy Corps Indonesia is part of the global Mercy Corps family, an international non-profit organization founded in 1979 that empowers people to survive through crisis, build better lives and transform their communities for good. Mercy Corps works in more than 40 countries around the world.

Mercy Corps has been in Indonesia since 1999. Through the establishment of the local foundation Yayasan Mercy Corps Indonesia (YMCI) in 2012, we continue to provide communities across Indonesia with the tools and support they need to transform their own lives. Our goal is to empower people to build healthy, productive and resilient communities. With a presence in 10 provinces, our expert teams implement a variety of programs, ranging from economic and market development to disaster risk reduction and climate change adaptation.

Mercy Corps Indonesia

We analyze and address development challenges using a systems lens and apply market development and resilience building approaches to achieve long-term sustainability of our impact. We take on the role of facilitator and convener of relevant local actors to foster change. We emphasize strategic partnerships with the private sector, government, society and research institutions in our programs and work closely with communities to fully understand the challenges they face and to work together on solutions. We continuously seek to advance innovative models for development and poverty reduction that can be replicated at scale.

Our Programs

Increasing Economic Opportunities and Access to Financial Services

Mercy Corps Indonesia seeks out creative, market-based solutions that help farmers, entrepreneurs and communities realize economic growth. Through micro-enterprise support, entrepreneurship training and mentoring, and improving access to financial and other services, Mercy Corps Indonesia supports the emergence of effective market systems to address income poverty. This includes market-based programs that address water and sanitation needs in poor urban neighborhoods, and others that supported tofu and tempeh enterprises to access clean and efficient energy production technology. It also covers integrated agricultural value chain development as we assist farmers to improve production, access markets and develop sound financial practices. In addition, we foster access to finance while building financial literacy and business management skills. Some of these programs are highlighted below:



Leveraging Information and Communication Technology for Irrigated Agriculture Information

Asian Development Bank // Jul 2018-May 2021

With the Leveraging Information and Communication Technology for Irrigated Agriculture Information Program, Mercy Corps Indonesia will be providing technical assistance that will improve the delivery of information to farmers to help enhance their livelihoods. We will be strengthening the existing use of information and communication technology (ICT) to deliver low-cost, timely, and actionable extension information to smallholder farmers specific to their needs in order to increase their ability to improve yields. The TA locations will overlap with the program in three districts to identify locations, crops, and strategic value chains with high potential to improve production, increase profitability, and boost incomes for smallholders.

Promoting Entrepreneurship and Digital Financial Services for Rural Youth

ExxonMobile Foundation // Sep 2018-Feb 2020

From 2020 to 2035, Indonesia will experience a Demographic Bonus, in which the proportion of Indonesia's population of productive age (15-64) is projected to be 64% of a total population of 297 million. During this time period, the proportion of young people in Java is projected to increase to 57.94%. This phenomenon represents a huge opportunity for young people to help drive economic growth and financial inclusion in Indonesia. With the coming demographic bonus, better access to digital channels, will create the necessary conditions for youth to participate in remaking the rural economy through entrepreneurship and innovation. Through the Promoting Entrepreneurship and Digital Financial Services for Rural Youth Program, Mercy Corps Indonesia is providing entrepreneurship training, business mentorship, as well as access to digital financial services for rural youth in Malang and Tuban Regency, East Java.



Agri-Fin Mobile

Swiss Development Cooperation // Jun 2016-Aug 2018

Mercy Corps Indonesia has an extensive understanding of the various needs of farmers, farmer groups, and other agricultural value chain actors, particularly in areas where mobile technology can be utilized to generate positive impacts on livelihoods and income. The Agri-Fin Mobile program has developed partnerships that bring together expertise, technology, infrastructure and products to establish bundled service models for corn farmers in Sumbawa, which will help improve their productivity and incomes. Services offered include information services such as weather data, market pricing, and crop tips, along with financial services such as value chain payments, loans, micro-insurance, and savings.

Spice Up the Deal

Ford Foundation // May 2011-Jun 2018

Our *Spice Up the Deal* (SUD) program aims to foster systemic changes to develop equitable nutmeg and clove markets in Indonesia's Maluku Province. The program works with farmers, traders and other actors involved in the production, processing, marketing and export of nutmeg and clove on the Maluku islands. The program team works closely with the Maluku Spice Council to improve the ability of these spice value chains to benefit poor farmers and increase their income. SUD fosters 'win-win' business relationships between farmer business groups and buyers while supporting the farmer groups to act as aggregators that sells a sufficient quantity of good quality products to these buyers.

POWER 2.0 – Promoting Organizations that Work to Empower Rice Farmers

John Deere // Feb 2019 - Jan 2022

POWER is leveraging farmer organizations to support small-holder rice farmers in North Sumatera, Lampung, West Java, East Java, West Nusa Tenggara and South Sulawesi to improve their income from rice. The program supports Farmer Groups and Farmer Group Unions through institutional development and capacity building while also facilitating partnerships with input suppliers and financial service providers, developing a model where all value chain stakeholders collaborate on improving productivity and strengthening farmers results. Through this approach POWER 2.0 is enhancing farmers' access to agricultural and financial services and helping to increase their incomes.



MFS – Mobile Financial Services for Female Entrepreneurs

ExxonMobile Foundation // Oct 2015-Oct 2018

MFS aims to identify a cost-effective and sustainable approach to promoting uptake of mobile financial services, particularly savings, by female entrepreneurs, as a way to increase women's investment in and profit from their businesses. The project is designed with a vision of bolstering financial inclusion for Indonesian women entrepreneurs by taking advantage of recent developments in the banking sector, which have led to several branchless banking initiatives, presenting a unique opportunity for making financial services more accessible to the unbanked. MFS is testing a set of interventions using Randomized Controlled Trial (RCT) targeting branchless banking field agents and female entrepreneurs in East Java in order to learn which activities are most cost-effective in promoting women's uptake of mobile savings. Ultimately, the pilot aims to identify a business model that can be adopted and scaled up after the initial pilot, eventually to reach thousands more female entrepreneurs throughout the country.

SWEET – Scaling-Up Women Entrepreneurs Empowerment Training

ExxonMobile Foundation // Nov 2018-Oct 2019

As a follow on of MFS project, SWEET aims to ensure that women entrepreneurs will have improved knowledge and skills around financial management that applies to their household and business. Additionally, SWEET beneficiaries that have not given the exposure to the previous project interventions will understand the different types of branchless banking products and actively use saving products through the digital channel services in order to improve business profits and family welfare. Located at three districts in East Java, SWEET is expected to show a tangible evidence of empowerment, in particular through the applied business financial management and take up savings amongst women entrepreneurs.

STRIVE – Strengthening & Improving the Vibrant Entrepreneurial Ecosystem

Mastercard Center for Inclusive Growth // Dec 2012-Aug 2018

Micro and small enterprises (MSEs) play an important role in Indonesia's economy but still face significant constraints, such as limited access to finance and other business services or difficulties with obtaining formal registration. STRIVE is supporting MSE entrepreneurs in Malang District, East Java, to increase their market participation and business development. Based on an in-depth analysis of the opportunities and constraints faced by these entrepreneurs, STRIVE designed a partnership model to implement training and mentoring, to increase access to the products and services of formal financial institutions and other resource providers, and to link the entrepreneurs to private sector entities and community business organizations (CBOs) that can enhance their market access.



CMA- Citi Microentrepreneurship Awards

Citi Foundation // Sep 2016-Jul 2019

The Citi Microentrepreneurship Awards (CMA) initiative comes from the Citi Foundation headquartered in New York, United States. This initiative aims to increase public awareness of the importance of entrepreneurship and microfinance in supporting financial inclusion and supporting the economies of low-income people. The program has different categories of entrepreneurs as well as microfinance institutions that support micro-entrepreneurs, thereby contributing to their empowerment. The selected semi-finalist will join a boot camp where they participate in an intensive program of training, peer exchange, and business planning activities. The project culminates in the selection of the winners, who, as part of the award, receive further mentoring in the implementation of their business plans.



MicroMentor Indonesia

Mastercard Center for Inclusive Growth and Commonwealth bank of Indonesia // March 2019-Dec 2019

MicroMentor is a free and easy to use online platform provided by Mercy Corps Indonesia for business mentoring that connects entrepreneurs and volunteer professional business mentors, so they can solve challenges and build businesses together. While MicroMentor initially started in 2008, it has now been rolled out to Indonesia where the potential for growth among Micro, Small and Medium Entrepreneurs (MSMEs) is significant. Based on estimates from the National Planning Agency (Bappenas 2018) and the United Nation's Population Fund (2018), the number of MSMEs in Indonesia is approximately 58.970.000. With a total population of 265.000.000, 22.25 % makes the percentage of MSMEs, which accounts for business owners and not the total workforce employed in MSMEs.



In order to respond to the growing mentoring needs of both the current and emerging entrepreneurs, Mercy Corps Indonesia collaborates with Mastercard Center for Inclusive Growth and Commonwealth Bank Indonesia to help small entrepreneurs develop their businesses through a free of cost mentoring platform; the programme covers approximately 300 mentors and 1,000 entrepreneurs where entrepreneurs can seek help from Bahasa Indonesia speaking mentors on business planning, market strategy, finance or other areas relevant to their businesses.

Climate Change Adaptation and Disaster Risk Reduction

Indonesia is one of the world's most disaster-prone countries, having steadily experienced increasing climate-related natural disasters. Extreme weather events and rising sea levels pose a substantial threat to a country largely inhabited along its coastlines. Urban slum dwellers and those living in coastal areas are especially vulnerable as many families lack the safety net to survive, the services to recover, and the funds to rebuild.

We are helping to reduce the impact of such disasters through innovative programs that bring together communities, government, and the private sector to identify and map areas at risk and to plan, train and practice how to respond when disasters occur. Our climate change adaptation (CCA) programs aim to catalyze attention, funding, and action at the city and national government levels around climate change to build the resilience of poor and vulnerable urban communities. As for Disaster Risk Reduction (DRR) work Mercy Corps Indonesia aligns and coordinates closely with the government's disaster management agency. Some of our flagship CCA and DRR programs are highlighted below:

NZMATES – New Zealand – Maluku Access to Renewable Energy Support

New Zealand Ministry of Foreign Affairs and Trade (NZ MFAT) // April 2018-June 2023

NZMATES aims to support the development of a vibrant renewable energy sector in Maluku. In partnership with the Indonesian government (EBTKE¹ and PLN²) NZMATES will help deliver long-lasting, reliable, and affordable renewable energy projects to the people of Seram and surrounding islands as well as other areas in Maluku. MCI has been sub-contracted by New Zealand renewable energy company Infratec Ltd. to work together on the implementation of this 5-year technical assistance programme. Activities include carrying out field surveys, resource and techno-economic assessments, delivery model development, participatory community engagement, leveraging funds, capacity building, and forging partnerships to kick-start the uptake of renewables like solar and mini-hydro.

ACCCRN -Asian Cities Climate Change Resilience Network

Rockefeller Foundation // Apr 2014-Jun 2018

ACCCRN is a leading regional network connecting professionals and communities across Asia to build inclusive urban climate change resilience (UCCR) that focuses on poor and vulnerable people affected by climate change. We commit to empowering people in building climate resilience, influence urban agendas, and build a regional resilient community in Asia where there is rapid urbanization and fast-growing cities that are prone to sudden shocks, as well as long-term stresses. We deliver our value through Amplifying the local voices, Facilitating collaboration among practitioners, Supporting local/community initiatives for resilience, and Connecting practitioners, community, government officials, and the private sector to join hands in building urban resilience.



¹ EBTKE (*Direktorat Jenderal Energi Baru Terbarukan dan Konservasi Energi*) Directorate General New Renewable Energy and Energy Conservation

² PLN (*Perusahaan Listrik Negara*) State Electricity Company

ZFRPA – Zurich Flood Resilience Measurement Program

Zurich Foundation // Aug 2015 – Feb 2018

The Zurich Flood Resilience Measurement Program tests evidence-based resilience interventions that enable vulnerable, urban households to mitigate flood risks, protect lives and assets and stay on a pathway to development in the most severely flood-prone urban landscapes of Semarang, Indonesia. The project is applying resilience measurement frameworks to develop and test improved hypotheses around what really matters to urban flood resilience. It is expected that knowledge generation will inform more impactful interventions that build resilience for urban flood-prone communities in Asia and globally.

ZFRA 2.0 – Zurich Flood Resilience Alliance 2.0

Zurich Foundation // Jan 2019 - Dec 2021

The flagship Zurich Flood Resilience Alliance 2.0 (ZFRA) program enables Mercy Corps Indonesia to deepen our technical excellence of resilience and test innovative models. As the advocacy lead in a consortium of nine other international NGOs and research organizations, Mercy Corps Indonesia leverages its regional and global networks for “influence and advocacy” efforts with government and multilateral actors to improve global, national and sub-national policies and encourage increased investment in support of flood resilience. This includes conducting loss and damage assessments for coastal areas and their watersheds and its intersection watershed areas to demonstrate the need for landscape perspectives and transboundary governance in river and coastal management. Innovative financing schemes, such as impact bonds for climate change adaptation, will also be explored to incentivize investment in flood resilience for the most vulnerable populations.

TRANSFORM – Transboundary Flood Risk Management

Global Resilience Partnership // Jan 2017-Sep 2018

TRANSFORM aims to enhance flood resilience of downstream urban communities in Garang River Basin in Central Java and serve as a model for transboundary flood prevention and resilience. Our theory of change is that if upstream and downstream stakeholders are connected through effective transboundary coordination platforms, and identify shared interests in flood risk reducing measures through actionable information and decision-making tools, then they will invest in win-win solutions to enhance and sustain flood resilience.

By introducing cutting-edge, user-friendly, decision-making tools, the project will incentivize good governance and increase investment in flood risk reduction across upstream and downstream areas. By demonstrating a return on investment for flood prevention and early response among diverse interest groups – including government, communities and private sector in upstream and downstream areas – the project seeks to tackle both the systemic drivers of floods, as well as reduce the negative impacts. TRANSFORM aims to reduce flood risks for 160,000 individuals while providing a scalable model for flood risk reduction for hundreds of thousands more.



TATTs – Institutionalizing Disaster Preparedness through Technical Assistance and Training Teams

USAID OFDA // Oct 2014 - Apr 2019



Mercy Corps Indonesia is leading a consortium that works to improve the capacity of provincial and district disaster management agencies (BPBDs) in eight provinces. By embedding qualified teams of disaster management experts and trainers within BPBDs the Technical Assistance and Training Teams (TATTs) program provides ongoing technical support tailored to the needs of each agency. TATTs is supporting BPBDs across Indonesia to develop and deliver critical technical skills among first responders, to establish

effective communications systems, to strengthen their internal management process and to build strong collaboration platforms that link them to CSO's, academic organizations and other critical partners in disaster risk reduction and disaster management.

Emergency Response

IRT – Indonesia Response Team

Our Indonesia Response Team (IRT), consisting of 30 staff members based throughout the country, is trained to deploy quickly and provide immediate relief to survivors during the critical first months after a disaster strikes. Mercy Corps Indonesia helps communities rebuild by restoring livelihoods and incorporating strategies for increased resiliency into future disaster management and planning. We are also an active member of the Emergency Capacity Building (ECB) initiative in Indonesia—a group of international NGOs that train together to build mutual skills for disaster response and coordinate response activities to maximize efficiency and impact.



Disaster Response & Recovery Program

Bayer Indonesia, the Scottish Government, UNICEF, Apple, Cargill Indonesia, ICDF Taiwan, Artemis, Xylem Watermark, Syngenta and Channel Foundation // Sept 2018 - Oct 2019

Mercy Corps Indonesia responds to natural disasters by helping those in need to survive through the crisis, empowering them to build better lives and transform them to be resilient communities. Committed to that, Disaster Response Program responds to the series of the disastrous earthquake that hit Lombok and Central Sulawesi 2018. Disaster Response Programs in Central Sulawesi and Lombok aim to support a total of over 25,000 people affected by the disaster through supplying non-food immediate needs items, develop access to sustainable clean water and safe drinking water, build sanitation facilities, enact hygiene promotion and address psychosocial support across Lombok and Central Sulawesi. Currently, Mercy Corps Indonesia is moving towards a recovery phase in these locations.

