



@#&OPS~Doctype~OPS^blank@pidaprcoverpage#doctemplate

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 18-Aug-2026 | Report No: PIDIA01529



For Official Use Only

BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Indonesia	EAST ASIA AND PACIFIC	P512318	Indonesia Repurposing Agricultural Support Project
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	27-Apr-2026	05-Oct-2026	Farming and Agribusiness
Borrower(s)	Implementing Agency		
Republic of Indonesia	Ministry of National Development Planning (Bappenas)		

Proposed Development Objective(s)

To increase agricultural productivity and strengthen resilience among project beneficiaries in selected districts of Indonesia.

Components

Improved Soil Health Management
Action Research on Direct Farmer Assistance (BLP)
Impact Evaluation, Scaling Up Pilot Results and Project Management

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)?	Yes
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	8.00
Total Financing	8.00
Financing Gap	0.00



DETAILS

Non-World Bank Group Financing

Trust Funds	8.00
FoodSystems2030 Umbrella Program	8.00

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

1. The Indonesia Repurposing Agricultural Support Project (IRASP, P512318) is Phase 2 of the Sustainable Agricultural Transformation in the East Asia and Pacific Region Program, processed under the Multi-Phase Programmatic Approach (MPA, P512855), with an overall program financing envelope of US\$1.6 billion. Phase 1—the Philippines Sustainable Agricultural Transformation (PSAT) PforR (P507504)—was approved by the Board on March 27, 2026. IRASP is a US\$8 million grant from the Food Systems 2030 (FS2030) Umbrella Program. It aims to catalyze the repurposing of the existing fertilizer subsidy program (US\$3.0 billion in 2024) by testing a shift from standardized, supply-driven input provision toward a more dynamic, farmer-centered model. The pilot equips farmers with soil health diagnostics and, through a structured action research study on direct farmer assistance, tests whether providing farmers with direct assistance enables them to make their own input decisions. By shifting purchasing decisions to farmers, the pilot generates real demand signals that stimulate input market development and diversification—while producing a viable model for improving public resource use that government can scale through its own budget programs.

Country Context

2. Indonesia has made remarkable social and economic strides over the past two decades, reclaiming its upper-middle-income status in 2023. The economy sustained an average annual growth rate of 5.5 percent between 2000 and 2023, while the national poverty rate fell from 19 percent in 2000 to 9 percent in 2024. Yet progress has become uneven: the pace of poverty reduction has slowed, and significant spatial disparities persist, with rural poverty at 11 percent remaining well above the urban rate of 6.7 percent. The current administration has set ambitious targets—an 8 percent annual growth rate to attain high-income status by 2045, a reduction in overall poverty to 5 percent by 2029, and the elimination of extreme poverty by 2027. Achieving these goals will require more effective and better-targeted public spending, placing a premium on value-for-money reforms across key sectors, including agriculture.



3. Indonesia's fiscal reform agenda reflects a broader drive to improve the quality and value-for-money of public spending. The Government of Indonesia (GoI) has built a strong track record in reorienting expenditure toward better-targeted instruments, demonstrated through large-scale Government-to-Person (G2P) transfer programs such as the Program Keluarga Harapan (PKH) conditional cash transfer, the Sembako program (initially e-voucher and later converted to cash transfer), and Kartu Prakerja for unemployed and informal workers. Successive subsidy reforms since 2014 have similarly shifted fuel pricing toward market rates, phased out electricity subsidies for wealthier households, and improved liquefied petroleum gas (LPG) subsidy targeting, freeing fiscal resources while protecting vulnerable populations. These reforms illustrate that GoI has both the capacity and the political will to repurpose inefficient and poorly targeted subsidy programs into more effective instruments—a logic that extends directly to agriculture, where a substantial share of public expenditure continues to flow through subsidies and support programs that offer limited value-for-money in terms of productivity while contributing to environmental externalities.

4. Food security, economic growth, and job creation sit at the heart of the current administration's agenda, as articulated in *Asta Cita*. The framework places agriculture at the center of efforts to raise domestic production, reduce import dependence, and ensure affordable access to nutritious food, while improving the quality and effectiveness of public spending. *Asta Cita*'s green economy pillar further underscores that food security and climate resilience are mutually reinforcing objectives rather than competing goals. This framing is reflected in Indonesia's climate commitments under its Nationally Determined Contributions (NDC), Long-Term Strategy for Low Carbon and Climate Resilience (LTS-LCCR), and National Action Plan for Climate Adaptation (NAP), which position agriculture as a priority sector for both mitigation and adaptation through climate-smart production systems and more sustainable input use.

Sectoral and Institutional Context

5. Indonesia's agriculture sector is central to the economy and livelihoods—yet its potential to deliver stronger productivity growth and better-quality jobs remains underutilized, with climate change compounding these challenges. In 2024, primary production contributed 12.6 percent of gross domestic product (GDP), with downstream agro-processing and food services adding a further 10.9 percent; the sector employed over 60 million people and generated a trade surplus of US\$21.4 billion. Yet performance challenges persist: yield growth has stagnated, diversification remains limited, and environmental stress is rising. Nearly 90 percent of Indonesia's 29.3 million farmers cultivate less than 2 hectares, and two-thirds cultivate less than 0.5 hectares—limiting economies of scale and access to finance, mechanization, and modern value chains. Poverty remains disproportionately concentrated among agricultural households (12.6 percent versus 9.4 percent nationally), and labor productivity lags regional and Organisation for Economic Co-operation and Development (OECD) peers. The sector is also both highly exposed to climate change—with projected yield impacts on rice, maize, and palm oil by 2030—and a meaningful contributor to national emissions, accounting for 7.4 percent of total greenhouse gases (GHGs) in 2022, primarily through soil and nutrient management (40.2 percent),¹ irrigated rice cultivation (32.6 percent), and enteric fermentation (21.5 percent).²

6. Public support for agriculture in Indonesia is among the highest in emerging and OECD economies, yet agricultural GDP and yield growth have stagnated. Indonesia's total support to agriculture as a share of GDP rose from 1.86 to 2.94 percent between 2005–07 and 2019, against an OECD average that fell from 0.81 to 0.56 percent over the same period. Between 2004 and 2024, fertilizer subsidy spending rose thirteenfold in real terms to IDR 47.4 trillion (US\$3.0 billion), while rice yield growth slowed from 3.2 percent annually (1961–1990) to just 0.6 percent (1991–2020). Global and domestic evidence consistently shows that the composition of agricultural spending matters more than its volume: investments in research and development (R&D), extension, and rural infrastructure typically yield higher returns than

¹ Soil and nutrient management comprises direct N₂O from managed soils (20.4 percent), direct N₂O from manure deposited on soils (8.25 percent), indirect N₂O from managed soils (5.1 percent), and CO₂ from urea application (4.3 percent) and liming (2.2 percent).

² Ministry of Environment and Forestry. 2024. Greenhouse Gas Inventory and Monitoring, Reporting, and Verification 2023.



input subsidies. In 2020, Indonesia spent approximately 20 times more on fertilizer subsidies than on agricultural knowledge and innovation systems, underscoring the scope for rebalancing toward higher value-for-money expenditures.

7. The current fertilizer subsidy has positive design features that provide a good basis for reform. The scheme is eligibility-based rather than universal; it involves cost-sharing with farmers; it covers multiple fertilizer types including urea, nitrogen-phosphorus-potassium (NPK), and organic; it aligns quota planning with sub-district-level agronomic recommendations; and it has undergone significant digitization through the electronic *Rencana Definitif Kebutuhan Kelompok* (e-RDKK, the digital farmer group needs plan) platform to strengthen accountability and reduce leakages. However, several persistent gaps limit the extent to which fertilizer support translates into enhanced yields and soil outcomes: realized delivery tends to be skewed toward nitrogen (urea) relative to balanced nutrient requirements; product choice is not sufficiently tailored to diverse soil conditions; access to micronutrients and lime remains inadequate; access to agronomic guidance is limited; and farmers' autonomy is constrained under a quota system. The subsidy's structural model—anchored in government procurement from state-owned producers and distribution through regionally assigned suppliers at fixed prices—has also, over time, limited the commercial space available to private distributors, concentrated the product mix around a narrow set of subsidized formulations, and weakened incentives for innovation and competition. These gaps—not the premise of farmer support itself—are central to the reform dialogue.

8. Soil health provides a technically sound and outcomes-oriented entry point for reform. Indonesia exhibits clear soil degradation signals that weaken nutrient retention and fertilizer response, including low soil organic carbon in intensive rice systems, widespread soil acidity, and recurring micronutrient deficiencies. Soil health improvements deliver direct climate co-benefits: greater drought resilience and reduced nitrous oxide emissions—particularly significant in a country highly exposed to hydrometeorological hazards and where soil and nutrient management accounts for 40 percent of agricultural GHG emissions. International experience—including India's Soil Health Card program, China's national Soil Testing and Formulated Fertilization initiative, and Bank-supported repurposing pilots in Malawi, Tanzania, Bangladesh, and the Philippines—consistently demonstrates that farmer support delivers better outcomes when paired with diagnostics and advisory services, particularly when combined with greater farmer choice over inputs through e-vouchers or cash transfers.

9. GoI's reform pathway is best understood as phased modernization that is already underway. GoI has introduced meaningful improvements through digitization, beneficiary verification, and periodic rule adjustments, and is exploring Direct Farmer Assistance (*Bantuan Langsung Petani*—BLP) as an evolution from the current producer-reimbursement model. Commitment to reform is whole-of-government: it is reflected in the National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional*—RPJMN), anchored in the Coordinating Ministry of Food Affairs' (CMFA) active role in the policy coordination architecture through the Fertilizer Subsidy Policy Monitoring and Evaluation Working Group, and reinforced by the Ministry of Finance's sustained engagement on the fiscal sustainability of subsidy programs. While broad agreement exists on the direction—strengthening targeting, reducing leakages, and improving value-for-money—changes to long-standing arrangements require appropriate sequencing, sustained stakeholder engagement, and careful piloting. IRASP is designed to support and accelerate this transition by testing BLP transfers alongside the enabling conditions needed for better outcomes—soil diagnostics, farmer training, and supply-side readiness—while generating operational evidence on what works, for whom, and under what delivery conditions.

Relevance to Higher Level Objectives

10. IRASP aligns with the priorities of both the GoI and the World Bank Group (WBG). It supports the Government's Asta Cita agenda and RPJMN priorities by piloting delivery approaches that strengthen soil health, farmer productivity, and income outcomes. In doing so, IRASP supports the WBG's Country Partnership Framework (CPF FY21–FY25) for Indonesia—particularly objectives related to improving the efficiency of public spending, strengthening livelihoods, and promoting job-rich growth—and contributes to the MPA program-level objective of advancing sustainable and



climate-resilient agricultural transformation across East Asia and the Pacific. The Project is also consistent with the WBG's AgriConnect approach by strengthening the enabling conditions for private delivery of inputs and advisory services, linking farmers to markets, and supporting more efficient, digitally enabled service provision.

11. The Project is Paris-aligned on both mitigation and adaptation. It promotes balanced nutrient management and reduced reliance on synthetic nitrogen fertilizers, while strengthening soil health to improve water retention, yield stability, and climate resilience. Activities related to soil diagnostics, digital advisory, and capacity building are classified as Universally Aligned, and the operation is consistent with Indonesia's NDCs, LTS-LCCR, and NAP.

Multi-Phase Programmatic Approach

12. IRASP is being processed as Phase 2 of the regional Multi-Phase Programmatic Approach (MPA) titled *Sustainable Agricultural Transformation in the East Asia and Pacific Region (P512855)*, approved by the World Bank Board on March 27, 2026, with an overall IBRD/IDA financing envelope of US\$1.6 billion. Phase 1 is the Philippines Sustainable Agricultural Transformation (PSAT) PforR (P507504), complemented by the Technical Assistance for Sustainable Agricultural Transformation (TASAT, P509767). Together, IRASP and TASAT strengthen institutional capacity and delivery systems for repurposing fertilizer subsidies in Indonesia and the Philippines respectively, contributing to the MPA's regional learning agenda on rice-based systems modernization in East Asia. Subsequent phases are envisaged for Papua New Guinea and Indonesia IRASP advances the MPA's program-level objective of increasing productivity, diversification, value addition, and resilience of agrifood systems by piloting an integrated package that combines BLP with improved soil health management, aligned with MPA Pillar 1 (Increasing Agricultural Productivity) and Pillar 4 (Strengthening Institutional Capacities). At pilot scale, IRASP contributes to two Program-level Development Objective (PrDO) indicators—a 4 percent yield increase for rice and enhanced climate resilience among approximately 3,600 farmers—which are adopted directly as the project's Project Development Objective (PDO)-level indicators.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

13. PDO Statement: To increase agricultural productivity and strengthen resilience among project beneficiaries in selected districts of Indonesia.

Key Results

14. PDO Level Indicators: Progress toward achieving the PDO will be measured by two indicators:

- (i) Increase in average yields of rice (percentage increase; PrDO indicator (i), applied at pilot scale); and
- (ii) Farmers with enhanced resilience to climate risks (number, gender-disaggregated; PrDO indicator (iv)).³

D. Project Description

15. The Project comprises three components: (i) Improved Soil Health Management; (ii) Action Research on Direct Farmer Assistance (BLP); and (iii) Impact Evaluation, Scaling Up Pilot Results and Project Management. Together, these deliver a pilot—combining the soil health package with action research on BLP—alongside the impact evaluation and evidence-to-policy work that measures results and informs scale-up, testing practical approaches to repurposing agricultural support, strengthening delivery systems, and generating credible evidence for policy dialogue and future

³ Yield will be reported at the aggregate level and separately for Tier 1 farmers (receiving BLP transfers and soil health interventions) and Tier 2 farmers (receiving soil health interventions only), to enable clear attribution and learning on the incremental contribution of the BLP modality. Resilience is operationalized as the number of farmers adopting improved soil health management practices and will be reported gender-disaggregated.



scale-up. The pilot equips farmers with soil health diagnostics and, through a structured action research study on direct farmer assistance, to make their own input decisions. By shifting purchasing decisions to farmers, the pilot generates real demand signals that stimulate input market development and diversification, while producing a viable model for improving public resource use that Government can scale through its own budget programs. A two-tier design enables clean attribution of the incremental contribution of the BLP modality: Tier 1 farmers (4,000) receive both BLP transfers and soil health interventions, while Tier 2 farmers (2,000) receive soil health interventions only.

Component 1: Improved Soil Health Management (US\$2.5 million)

15. This component pilots a scalable soil health support package to improve nutrient use efficiency, crop productivity, and resilience in targeted areas. It will support: (i) generation of actionable soil diagnostics and soil health cards; (ii) farmer and facilitator capacity to understand and apply soil health recommendations; and (iii) local market readiness so that farmers can access the inputs needed to act on those recommendations. Activities will be delivered through a technical service provider with soil health expertise for design and quality assurance functions, and a field implementation service provider deploying field facilitators in coordination with the Project Management Unit (PMU), Project Implementation Unit (PIU), local governments, agricultural extension agents, and other relevant GoI counterparts.

16. **Sub-Component 1.1: Soil Health Assessment (US\$0.5 million).** Finances identification and adaptation of scalable soil testing protocols; layered soil testing using Portable Soil Test Kits for plot-level nutrient assessments complemented by laboratory analysis for micronutrient deficiency and soil organic carbon; development and distribution of physical and digital soil health cards with plot-specific diagnostics and nutrient recommendations; and maintenance of a project soil dataset with scope for future integration into national soil information systems.

17. **Sub-Component 1.2: Strengthening Farmer Capacity to Improve Soil Health (US\$1.75 million).** Finances development of training curricula and materials, including soil health management and financial literacy content; a training program comprising training of trainers for facilitators and extension agents, demonstration plots, farmer field schools, and technical trainings; and farmer outreach through community, print, and digital channels, including piloting of a digital advisory tool where feasible. Delivery works through and with existing extension systems and local government structures so that technical capacity is embedded in current GoI service delivery channels.

18. **Sub-Component 1.3: Facilitating Supply-Side Response and Private Sector Engagement (US\$0.25 million).** Strengthens last-mile availability and quality assurance of soil health inputs (chemical and organic fertilizer, lime, and other soil amendments) by engaging both private actors (suppliers, wholesalers, retailers, agri-kiosks) and public actors (local government and extension agents). This is a key Maximizing Finance for Development (MFD) entry point: by shifting from centrally allocated inputs to farmer-driven purchasing, the pilot generates real demand signals to the fertilizer industry and local input markets, informing product diversification and market creation.

Component 2: Action Research on Direct Farmer Assistance (BLP) (US\$3.5 million)

19. This component finances an action-research study that tests the delivery of direct farmer assistance linked to soil health recommendations, administering time-bound BLP transfers as the research instrument to compare feasible modalities (cash, e-vouchers, or both), to generate evidence for future reform decisions. GoI intends to prioritize the testing of cash transfers as an alternative modality, consistent with its extensive experience implementing large-scale cash-based G2P programs (PKH, *Sembako*, *Kartu Prakerja*); BLP transfers would be deposited before the planting season into farmers' bank accounts through designated state-owned banks and local agents. The feasibility of also testing an e-voucher modality—drawing on Indonesia's own transition from *Beras untuk Rakyat Miskin/Rakyat Sejahtera (Raskin/Rastra)*⁴ to *Bantuan Pangan Non-Tunai (BPNT)/Sembako*, where e-vouchers served as an effective intermediary step between in-kind subsidies and fully flexible cash transfers—will be assessed within the first six months of

⁴ Indonesia's earlier in-kind subsidized rice programs.



implementation. The integrated action research package will be delivered through a consulting firm (for delivery system design, operationalization, and transfer management) and the field implementation service provider (for farmer- and kiosk-facing engagement), in coordination with local governments and extension agents.

20. **Sub-Component 2.1: Institutional Readiness (US\$0.15 million).** Ensures that the governance and regulatory conditions for BLP delivery are established and validated within the first six months after effectiveness, financing: (i) validation of the proposed scheme with central and local stakeholders and securing of required approvals; (ii) sensitization of national and sub-national counterparts on scheme objectives and operating principles; and (iii) technical support for government-side preparation of the pilot readiness framework.

21. **Sub-Component 2.2: Testing Assistance Modalities and Delivery System (US\$3.35 million).** Finances (i) design and operationalization of delivery systems and action-research protocols; (ii) field-level beneficiary and service-point readiness, including vetting, registration, and training of agri-kiosks and financial service agents, and identification, verification, onboarding, treatment group assignment, bank account opening, and helpline support for farmers; and (iii) seasonal delivery of BLP transfers as the study's research instrument (indicative allocation US\$1.8 million, subject to adjustment based on agreed benefit value, number of beneficiaries, and transfer cycles). Transfers are expected to begin in Year 2, once readiness conditions documented in the Project Operations Manual (POM) are met.

Component 3: Impact Evaluation, Scaling Up Pilot Results, and Project Management (US\$2.0 million)

22. This component ensures that the pilot generates credible evidence, structured operational learning, and practical policy inputs to support mainstreaming and future scale-up, while providing the coordination, fiduciary oversight, and environmental and social management capacity needed to implement a multi-location pilot through a combination of government systems and third-party providers.

23. **Sub-Component 3.1: Impact Evaluation and Monitoring and Evaluation (US\$0.5 million).** Finances independent baseline and endline data collection implemented by a competitively procured evaluation firm in accordance with the impact evaluation design and protocols developed under the companion Bank-Executed Trust Fund (BETF); routine tracking through a lightweight project management information system (MIS); and consolidation of data for adaptive management and project learning.

24. **Sub-Component 3.2: Scaling Up Pilot Results (US\$0.7 million).** Translates evidence and operational lessons into policy-relevant options on a rolling basis throughout implementation. Expected outputs include an evidence-informed reform and implementation roadmap, targeted analytics to inform operational and regulatory adjustments, documentation of operational lessons, and assessment of data integration and governance options. Engagement and knowledge exchange activities include structured dialogue with government, private sector, and development partners; high-level briefings and inter-ministerial policy dialogue through existing coordination platforms, particularly the CMFA-chaired Fertilizer Subsidy Policy Working Group; and knowledge exchange under the MPA learning agenda, including cross-country learning with Phase 1 in the Philippines.

25. **Sub-Component 3.3: Project Management (US\$0.8 million).** Finances PMU/PIU operational capacity for coordination, fiduciary and contract management, environmental and social risk management, and operation of a feedback and grievance redress mechanism.

26. **A companion Indonesia Repurposing Agricultural Support Project BETF (TF0C8790) will support implementation throughout the project period.** The BETF finances complementary activities including upstream pilot readiness and protocols, enhanced implementation support during roll-out, analytical work and knowledge products to inform policy dialogue and potential scale-up, and impact evaluation design.



27. **Implementation sequencing.** The pilot is sequenced to front-load readiness and early delivery. Year 1 focuses on core preparatory activities, including finalization of protocols and delivery arrangements, beneficiary verification and treatment group assignment, baseline data collection, soil diagnostics and issuance of soil health cards, and the initial rounds of training and supply-side engagement. BLP transfers are expected to commence in Year 2, once design validation, readiness checks, and required approvals are in place. Routine monitoring will be continuous throughout implementation. Evidence-to-policy products and stakeholder engagement under Component 3 will begin as operational lessons emerge and intensify in Years 2–3.

28. **Project beneficiaries.** The project directly targets approximately 6,000 smallholder paddy, organized into two tiers. Tier 1 (4,000 farmers) receives BLP transfers and soil health interventions. Tier 2 (2,000 farmers) receives soil health interventions only. Assuming an average household size of four, the project is expected to reach approximately 24,000 individuals within farming households, in addition to indirect beneficiaries such as extension agents, agri-kiosk operators, and local value-chain actors. Indicative eligibility is based on crop type (rice), landholding size, decision-making authority over farm management, and willingness to participate. Beneficiary identification will draw on SIMLUHTAN⁵, e-RDKK, DTSEN⁶, and the 2023 Agriculture Census, and will be validated through field surveys during the first six months. Spouses and eligible household members within targeted households are also eligible for training and advisory support. The project targets at least 40 percent women's participation in training activities. Training schedules and formats will be adapted to reduce time and mobility constraints, with women-only sessions where appropriate and joint sessions on intra-household topics such as farm budgeting; gender-disaggregated indicators will be tracked in the Results Framework.

29. **Project geography.** The pilot will be implemented in two districts—Ngawi (East Java Province) and Tabanan (Bali Province)—selected based on Bappenas' readiness assessment conducted during project preparation. Selection criteria included delivery infrastructure, farmer capacity, availability of eligible beneficiaries, extension system functionality, and digital-financial readiness. Ngawi represents a highly intensified irrigated lowland rice production system, while Tabanan offers a contrasting *subak*⁷-based irrigation and land management setting. Final sub-district and village selection will be confirmed within first six months of implementation following field validation and consultations with local governments.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Area OP 7.60

No

Summary of Screening of Environmental and Social Risks and Impacts

32. **Environmental and Social Risk.** The Environmental and Social risk classification is Moderate. The project involves technical assistance, capacity building, and digital delivery of farmer transfers. It does not finance civil works, pesticides, or activities involving land acquisition or restrictions. The principal residual risks relate to the potential exclusion of vulnerable groups—including women and farmers without formal identification or bank accounts—from beneficiary lists, and data privacy considerations in digital delivery systems. These risks are addressed through the Environmental and Social Commitment Plan (ESCP), which includes measures for inclusive beneficiary identification, data governance protocols, and an accessible Feedback and Grievance Redress Mechanism.

⁵ Sistem Informasi Manajemen Penyuluhan Pertanian (SIMLUHTAN)—the Ministry of Agriculture's extension management information system.

⁶ Data Terpadu Sosial Ekonomi Nasional (DTSEN) — the National Socio-Economic Registry.

⁷ Subak is Bali's traditional community-based irrigation and water management system for rice cultivation.



E. Implementation

Institutional and Implementation Arrangements

33. Implementation is led by Bappenas, which serves as the Executing Agency, responsible for overall leadership and inter-agency coordination. Within Bappenas, the Deputy for Food, Natural Resources, and Environment serves as the Implementing Agency, responsible for day-to-day oversight and coordination of technical activities. The PMU will sit within the Deputy for Food, Natural Resources, and Environment and will be accountable for annual work planning and budgeting, procurement oversight, financial management, monitoring and evaluation (M&E), and coordination with the World Bank. The PIU will sit within the Indonesia Climate Change Trust Fund (ICCTF),⁸ a working unit within Bappenas, and will be responsible for operational execution, contract management, safeguards compliance, and results reporting. Project governance is anchored in a National Steering Committee (NSC), chaired by Bappenas, which provides strategic direction and validates major design adjustments; and a Technical Working Group (TWG), which provides technical problem-solving and inter-agency coordination. At the national level, the project is designed to inform the work of the Fertilizer Subsidy Policy Working Group chaired by CMFA.

34. Field delivery relies on existing public systems supplemented by qualified service providers. Local governments and agricultural extension agents play central roles in mobilizing farmers, delivering soil health training (including farmer field schools), and supporting adoption of improved practices. Specialized service providers will be engaged to support soil diagnostics, farmer-facing implementation, design of delivery systems, and independent impact evaluation, with time-bound field facilitators complementing public extension services during the pilot. BLP transfers will be delivered through a qualified third-party provider, governed by a dedicated operations manual that sets out eligibility, transfer modalities, grievance redress, and fiduciary safeguards, and subject to World Bank no-objection prior to the start of transfers.

CONTACT POINT

World Bank

Alika Dibyanta Viarti Tuwo
Agriculture Economist

Borrower/Client/Recipient

Republic of Indonesia

Implementing Agencies

Ministry of National Development Planning (Bappenas)

⁸ ICCTF is currently undergoing an institutional transformation into the Indonesia Development Fund (ID Fund), envisioned as a Public Service Agency (BLU) under Bappenas, which is expected to be completed in early 2026; Project implementation arrangements will be updated as needed to ensure continuity of mandate and smooth execution during the transition.



FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Alika Dibyanta Viarti Tuwo
Co- Team Leader(s):	Vikas Choudhary

Approved By

Practice Manager/Manager:	Paavo Eliste	31-Mar-2026
Country/Division Director:	Alanna Leigh Simpson	18-Aug-2026

For Official Use Only