Dear Mr. Agus Suprijanto:

RE: IBRD Loan 8057-ID
(Upper Cisokan Pumped Storage Power (1040 MW) Project)

Additional Instructions: Disbursement

I refer to the Loan Agreement (the "Agreement") between the International Bank for Reconstruction and Development (the "Bank") and the Republic of Indonesia (the "Borrower") for the above referenced project, dated November 29, 2011. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 8057-ID (the "Loan"). This letter (the "Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1) are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

1. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Agreement:

- Special Commitment
- Reimbursement
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four months after the Closing Date specified in the Agreement. Any changes to this date will be notified by the Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Agreement, as amended.
II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Loan will be signed by the officials authorized to sign Applications as indicated in Ministry of Finance letters No. S6428/PB/2010, dated August 24, 2010; No. S4903/PB/2010, dated July 8, 2010; and No. S6298/PB/2009, dated October 17, 2009. Please notify us promptly should there be any change in the authorized officials in this regard.

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank Office Jakarta (WBOJ)
Jakarta Stock Exchange Building, Tower 2, 12th Floor
Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190, Indonesia
Attention: Disbursement Team

(iii) Electronic Delivery (subsection 3.4) The Bank may permit the Borrower to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices ("Tokens") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Borrower with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Tokens") provided in Attachment 2; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5): USD 100,000.
III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application for Withdrawal as set out below:

- For requests for Reimbursement:
  - List of payments against contracts in the form attached (Attachment 4), together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for the contracts subject to the Bank's prior review as required in the Loan Agreements;
  - Statements of Expenditure in the form attached (Attachment 3) for all other expenditures / contracts not subject to the Bank's prior review;
  - Copies of records evidencing eligible expenditures and amounts actually paid.

- For requests for Direct Payment: Records evidencing eligible expenditures, e.g. copies of receipts, supplier invoices.

Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Quarterly.

IV. Other Important Information


If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Funding, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact Chau-Ching Shen, Senior Finance Officer at loan-eap@worldbank.org or the Disbursement Team in WBO1 using the above reference.

Yours sincerely,

[Signature]

Shubhram Chaudhuri
Acting Country Director, Indonesia
Attachments

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
3. Form of Statement of Expenditures
4. Form of List of Payments for the Contracts subject to the Bank prior review

cc:
Mr. Rachmat Waluyanto, DG Debt Management, MOF
Mr. Widjanarko, Director of Evaluation, Accounting and Settlements, DG Debt Management, MOF