TO: The President, International Bank for Reconstruction and Development

Report of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposed Loan (Second Power Transmission Development Project/Scattered Transmission Lines and Substations in Indonesia Phase II) to the Republic of Indonesia.

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of the International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant to the Republic of Indonesia (the Borrower) a loan in an amount of US$ 325,000,000. The purpose of the Project is to meet growing electricity demand and increase access to electricity in the Project Area through strengthening and expanding the capacity of the power transmission networks in the Project Area in a sustainable manner.

1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purpose to which the proceeds of the loan are to be applied.

2. The Committee is of the opinion that the project toward the financing of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said project is designed to promote the development of the productive facilities and resources of the Republic of Indonesia and is in the interest of the Republic of Indonesia and of the members of the Bank as a whole.
3. Accordingly, the Committee finds that said project merits financial assistance from the Bank, and hereby recommends said project for such assistance.

COMMITTEE

[Signatures]

Senior Vice President and Group General Counsel

Expert Selected by Governor for the Republic of Indonesia

Regional Vice President East Asia and Pacific Region

Dated at Washington, D.C.
JUNE 17, 2013