Letter No. CD-/INIS/III/2014

7 October 2014

Mr. Marwanto Harjowiryono
Director General of Treasury
Ministry of Finance
Jl. Lapangan Banteng Timur 2-4
Jakarta Pusat

Re: Indonesia Infrastructure Support Grant No. TF016825 - Technical Assistance for the Surabaya Urban Transport Corridor Development Project

Additional Instructions: Disbursement Letter
First Restatement of Disbursement Letter

Dear Mr. Harjowiryono:

I refer to the Letter Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank") acting as administrator of grant funds provided by the Government of Australia (the "Donor") under the Indonesia Infrastructure Support Trust Fund (INIS), and the Republic of Indonesia ("Recipient") for the above-referenced project, dated 26 March, 2014. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF016825 ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is first Restatement of the Disbursement Letter dated 26 March, 2014 for the above referenced project restating Section I (iii) reducing the Disbursement Deadline Date to one month from Closing Date. All other provisions of the original Disbursement Letter shall remain in force and effect.

The attached 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 Grant 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.

I. Disbursement Arrangements

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

- Direct Payment

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

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Withdrawal Condition(s) in Section 3.02 of the Grant Agreement.
II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Grant will be signed by the officials authorized to sign Applications as indicated in Ministry of Finance letter No. S4881/PB/2013, dated July 16, 2013. 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 applications for withdrawal, together with supporting documents, through the World Bank’s Client Connection, web-based portal, following the instructions for electronic delivery. In the case the recipient does not have internet access, the World Bank may permit the delivery of applications for withdrawal, together with supporting documents, in accordance with subsection 3.3, to the following address:

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 option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient 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 credentials (“SIDC”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with SIDC 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 Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to accept SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of SIDC”) provided in Attachment [3]; and (b) to deliver the Terms and Conditions of Use of SIDC to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Direct Payments is USD 20,000

III. Reporting on Use of Grant Proceeds

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

For requests for Direct Payments: records evidencing eligible expenditure, e.g., copies of receipts, supplier invoices including evidence of endorsement from the City Government of Surabaya.
IV. Other Important Information


From the Client Connection website, you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World 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 Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. For more information about the website and registration arrangements, please contact the World Bank by email at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact CTRLD-TF by sending an email to ctrld-tf@worldbank.org and using; the trust fund number as a reference.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Vidya Narasimhan
Finance Officer

Attachments as per Original Disbursement Letter

Cc with copies:

- Mr. Robert Pakpahan, Director General, Directorate General of Debt, Management, Ministry of Finance
- Ms. Ayu Sukarini, Director of Loans and Grants, Ministry of Finance
- Mr. Bambang Prihartono, Director of Transport, Bappenas.