



CONFORMED COPY

Letter No.CD-062/IRFF/2/2011

February 28, 2011

Mr. Rahmat Waluyanto
Director General of Debt Management
Ministry of Finance
Jalan Lapangan Banteng Timur 2-4
Jakarta 10710

Dear Mr. Waluyanto:

***Re: Indonesia - Infrastructure Reconstruction Financing Facility Project
Additional Financing (TF 098082)***

I refer to the grant agreement (“Grant Agreement”), dated August 13, 2010, for the Infrastructure Reconstruction Financing Facility Project Additional Financing (the “Project”) (TF 098082), between the Republic of Indonesia (“Recipient”) and the International Development Association (the “World Bank”) acting as Partner Agency under the Multi-Donor Trust Fund for Aceh and North Sumatra (TF054838) (“MDF”). Capitalized terms used but not defined in this letter have the meanings given to them in the Grant Agreement.

We noticed that a provision was dropped from the signed grant agreement regarding procurement review. This does not affect the ongoing project, as the existing procurement plan is satisfactory, but the provision should be reinstated for completeness. We apologize for the inconvenience. Accordingly, we propose to add the following Section D to Section III of Schedule 2 to the Grant Agreement:

“D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.”

Mr. Rahmat Waluyanto
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Except as specifically provided for in this agreement, all of the other terms and conditions of the Grant Agreement remain the same. Please confirm your agreement to the foregoing by signing and dating both enclosed copies of this letter in the space provided and returning one signed copy to us. The above amendment will become effective as of the date of the date of countersignature of this letter by the Recipient.

Sincerely yours,

/s/ Franz Drees-Gross
Acting Country Director, Indonesia

CONFIRMED:
REPUBLIC OF INDONESIA

By: /s/ Rahmat Waluyanto
Authorized Representative

Name: Rahmat Waluyanto

Title: DG of Debt Management

Date: March 8, 2011