

RODRIGO A. CHAVES
 Country Director, Indonesia and Timor-Leste

Letter No. CD-188/WB/INIS/XI/2017

November 7, 2017

Mr. Marwanto Harjowiryo
 Director General of Treasury
 Ministry of Finance
 Gedung Prijadi Praptosuhardjo I, 2nd Floor
 Jl. Lapangan Banteng Timur No. 2-4
 Jakarta Pusat - Indonesia

Dear Mr. Harjowiryo,

***Re: INIS Grant No. TF0A4649 - Preparation of Proposed Tourism Development
 Operation/Integrated Masterplans for Priority Tourism Destinations
 Additional Instructions: Disbursement***

I refer to the Grant Agreement (“Agreement”) of even date between the Republic of Indonesia (the “Recipient”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “World Bank”) - acting as administrator of grant funds provided by the Government of Australia (“Donor”) under the Indonesia Infrastructure Support Trust Fund (INIS) - for the above-referenced Operation. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of INIS Grant No. TF0A4649 (“Grant”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“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:

- Reimbursement
- Advance
- Direct Payment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months 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 Disbursement Condition(s) in 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 the Ministry of Finance Letter No. S-3571/PB/2016 dated April 27, 2016. 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 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 World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank's Client Connection, web-based portal. 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 use 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 2; and (b) 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 reimbursement and direct payment is USD50,000.

(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated. One (1) segregated designated account will be established under this INIS preparation grant and managed by the Treasury Department of the Ministry of Finance.

- **Currency of Designated Account (subsection 5.4):** USD.
- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Bank Indonesia.
- **Ceiling (subsection 6.1):** Forecast for two (2) quarters as provided in the quarterly Interim Financial Report.

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 Reimbursement:**
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 3, Statements 1-B)
 - Statement of Expenditure in the form attached (Attachment 3, Statement 1-C and 1-C2) for all other contracts and/or expenditures;
 - Interim Financial Reports in the form attached (Attachment 3, Statement IFR-1 and IFR-2)
- **For reporting eligible expenditures paid from the Designated Account:**
 - List of payments against contracts that are subject to the World Bank's prior review, in the form attached (Attachment 3, Statements 1-B);
 - Statement of Expenditure in the form attached (Attachment 3, Statement 1-C and 1-C2) for all other contracts and/or expenditures;
 - Statement of Project Cash Forecast (Attachment 3, Statement 1-D);
 - Interim Financial Reports in the form attached (Attachment 3, Statement IFR-1 and IFR-2); and
 - Designated Account Reconciliation Statement in the form attached (Attachment 3, Statement 1-A3) and bank statements.
- **For requests for Direct Payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** The period set out in the Advance Agreement for provision of Interim Financial Reports, i.e. quarterly.

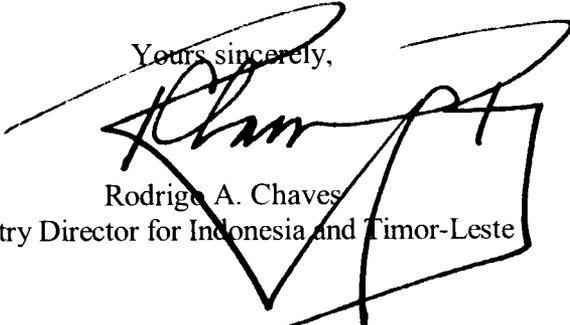
IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <https://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

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 effected. 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 Chau-Ching Shen, Senior Finance Officer at WFALN.MANILA@worldbank.org or the Disbursement Team in WBOJ using the above reference.

Yours sincerely,


Rodrigo A. Chaves
Country Director for Indonesia and Timor-Leste

Attachments

1. *Disbursement Guidelines for Investment Project Financing*, dated February 2017
2. *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation*, dated March 1, 2013
3. Form of Interim Financial Report

Copy to:

- Mr. Rido Matari
Director General of Regional Infrastructure Development Agency
Ministry of Public Works and Housing
Jl. Pattimura No. 20 - Jakarta Selatan
rido.matari@pu.go.id
- Mr. Dadang Rizki Ratman
Deputy Minister for Destination Development and Tourism Industry
Ministry of Tourism
Sapta Pesona Building
Jl. Medan Merdeka Barat No. 17 - Jakarta
dadangrizki@yahoo.com

**Terms and Conditions of Use of Secure Identification Credentials
in connection with Use of Electronic Means
to Process Applications
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)¹ will provide secure identification credentials (SIDC) to permit the Borrower² to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

A. Identification of Users.

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

B. Initialization of SIDC.

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in connection with the use of his/her Soft

¹ "Bank" includes IBRD and IDA.

² "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a "SIDC User". The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

C. Use of SIDC.

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. *Security*

4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.

4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.

4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.

4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify clientconnection@worldbank.org.

4.5. The Borrower shall immediately notify the Bank at clientconnection@worldbank.org of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. *Reservation of Right to Disable SIDC*

5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.

5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User's Account or both.

6. ***Care of Physical Tokens***

6.1. Physical Tokens will remain the property of the Bank.

6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.

6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.

6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. ***Replacement***

7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.

7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.

**Tourism Development Program
Investment Project Financing (PPF/IPF)
Designated Account Activity Statement
For the Reporting Period [mm/dd/yy] - [mm/dd/yy]**

Special Account No :

	USD
Part I	
1. Cumulative advance to end of current reporting period	-
2. Cumulative expenditures to end of last reporting period	-
3. Outstanding advance to be accounted (1-2)	-
Part II	
4. Opening SA balanced at beginning of reporting period (as of, 20....)	-
5. Add/Subtract : Cumulative adjustments (if any) *	-
6. Advances from the World Bank during reporting period	-
7. Add 5 and 6	-
8. Outstanding advances to be accounted for (4+7)	-
9. Closing SA balance at end of current reporting (as of, 20...)	-
10. Add/subtract: Cumulative adjustments (if any) **	-
11. Expenditures for current reporting period	-
12. Add 10+11	-
13. Add 9+12	-
14. Difference (if any) 8-13 ***	-
Part III	
15. Total Forecasted amount to be paid by World Bank	-
16. Less : Closing SA balance after adjustment	-
17. Add/subtract: Cumulative adjustments (if any) ****	-
18. Add 16+17	-
19. Cash requirement from WB for next six months (15-18)	-
20. Round Down	-

Note

* Explanation for item 5 (if not zero):	FMR & AW Ref.	Amount (+/-)	
		-	

** Explanation for item 10 (if not Zero):	FMR & AW Ref.	Amount (+/-)	
		-	

*** Explanation for item 14 (if not Zero):	FMR & AW Ref.	Amount (+/-)	

**** Explanation for item 17 (if not Zero):	FMR & AW Ref.	Amount (+/-)	

Tourism Development Program
TF No.
Designated Account Activity Statement
For the Reporting Period [mm/dd/yy] - [mm/dd/yy]

Special Account No :

	USD
Part I	
1. Cumulative advance to end of current reporting period	-
2. Cumulative expenditures to end of last reporting period	-
3. Outstanding advance to be accounted (1-2)	-
Part II	
4. Opening SA balanced at beginning of reporting period (as of, 20....)	-
5. Add/Subtract : Cumulative adjustments (if any) *	-
6. Advances from the World Bank during reporting period	-
7. Add 5 and 6	-
8. Outstanding advances to be accounted for (4+7)	-
9. Closing SA balance at end of current reporting (as of, 20...)	-
10. Add/subtract: Cumulative adjustments (if any) **	-
11. Expenditures for current reporting period	-
12. Add 10+11	-
13. Add 9+12	-
14. Difference (if any) 8-13 ***	-
Part III	
15. Total Forecasted amount to be paid by World Bank	-
16. Less : Closing SA balance after adjustment	-
17. Add/subtract: Cumulative adjustments (if any) ****	-
18. Add 16+17	-
19. Cash requirement from WB for next six months (15-18)	-
20. Round Down	-

Note

* Explanation for item 5 (if not zero):	FMR & AW Ref.	Amount (+/-)	
		-	

** Explanation for item 10 (if not Zero):	FMR & AW Ref.	Amount (+/-)	
		-	

*** Explanation for item 14 (if not Zero):	FMR & AW Ref.	Amount (+/-)	
		-	

**** Explanation for item 17 (if not Zero):	FMR & AW Ref.	Amount (+/-)	
		-	

Tourism Development Program
Summary Sheet for Payment of Contract Subject to Prior Review
Quarter : [mm/dd/yy]

Ln/Cr/TF No.:
 Sheet No.:

1	2		3a	3b	4	5	6	7	8	9	10	11	12	13
Item No.	Disbursement Category		Office Issuing SP2D	Cross-Ref SP2D No.	Date of Payment (SP2D)	Contract No. and Date	Supplier/ Contractor Name	Contract Value (incl. VAT)	Total Amount Paid to Contractor (GOI+IBRD+PPN)	WB Financing %	Amount of WB portion paid	Exchange Rate Applied	Amount Charged to SA (USD eqv)	WB's contract ref.
	Cat No.	Description												
	Investment Project Financing (PPF/IPF)													
	(1)	Category 1												
	(2)	Category 2												
		<i>Sub Total</i>												
	Trust Fund (TF)No.													
	(1)	Category 1												
	(2)	Category 2												
		<i>Subtotal</i>						-	-		-		-	
	GRAND TOTAL							-	-		-		-	

Tourism Development Program
Summary Statement of Expenditures (Sum-SOE)
 Quarter : [mm/dd/yy]

Ln/Cr/TF No.:
 Sheet No.:

1	2		3	4	5	6	7	8	9	10
Item No.	Disbursement Category		Threshold for SOEs (USD eqv)	Number of SP2D covered	Country of supplier/ consultant/ training	Total Paid to Contractors/ Expenditures (GOI+HBRD+PPN)	WB Financing %	Amount of WB portion paid	Average Exchange Rate	Amount Charged to SA (USD eqv)
	Cat No.	Description								
	Investment Project Financing (PPF/IPF)									
	(1)	Category 1								
	(2)	Category 2								
		<i>Sub Total</i>		-		-		-		-
	Trust Fund (TF)No.									
	(1)	Category 1								
	(2)	Category 2								
		<i>Subtotal</i>		-		-		-		-
	GRAND TOTAL			-		-		-		-

**Tourism Development Program
Project Cash Forecast
For the Quarter Ending [mm/dd/yy]**

Ln/Cr/TF No.:
Sheet No.:

	(a)	(b)	(c)=(a)+(b)	(d)	(e)	(f)
	Cash Requirement for Quarter ending, 20....	Cash Requirement for Quarter ending, 20....	Total Cash Requirement for next two quarters (six months)	GOI Cash Requirement next two quarters (six months)	WB Cash Requirement next two quarters (six months)	WB Cash Requirement next two quarters (six months)
	(IDR)	(IDR)	(IDR)	(IDR)	(IDR)	(USD)
Investment Project Financing (PPF/IPF)						
1. Category 1						
2. Category 2						
Trust Fund (TF) No. ...						
1. Category 1						
2. Category 2						
Non Bank Financed (Rupiah Murni)						
Total	-	-	-	-	-	-

NOTE:

Exchange rate applied = Rp/ USD

**Tourism Development Program
Disbursement and Expenditures Status
For the Quarter ending (mm/dd/yy)**

Form 1 - E

in USD

Grant Cat	Detail of Category	Loan Allocation	Disbursement	Expenditures			Remaining Amount of Contract	Remaining Loan Allocation
				Current Quarter	Cumulative to date	Expenditures not yet replenish		
1	2	3	4	5	6	7	8 = 3 - 6	9
	Investment Project Financing (PPF/IPF)							
1	Category 1							
2	Category 2							
	Trust Fund (TF) No.							
1	Category 1							
2	Category 2							

Note :

Tourism Development Program
Contract Monitoring
For the Quarter ending (mm/dd/yy)

Form 1 - F

No.	Comp	Reference Contract			Payment IBRD		Payment GoI		Total Payment		Remaining Balance	
		Number/ Date	Amount Rp.	Name	Number/ Date	Amount Rp.	Number/ Date	Amount Rp.	Rp	US \$	Rp	US \$
1	2	3	4	5	6	7	8	9				
1												
2												
3												
4												
				TOTAL								

**Tourism Development Program
Project Sources and Uses of Funds
for the quarter ending [mm/dd/yy]
currency: ___**

Ln/Cr/TF No.:

Sheet No.:

	Actual / i			Planned			Variance %		
	Current Quarter	Year-To Date	Cumulative To-Date	Current Quarter	Year-To Date	Cumulative To-Date	Current Quarter	Year-To Date	Cumulative To-Date
	1	2	3	4	5	6	7=1/4	8=2/5	9=3/6
Sources of Funds									
1 GoI (counterpart, Rp Murni, outstanding, BUN)	-	-	-	-	-	-			
2 The World Bank	-	-	-	-	-	-			
Total Sources of Funds	-	-	-	-	-	-			
Uses of Funds (by Category)									
Investment Project Financing (PPF/IPF)									
1 Category 1									
2 Category 2									
Trust Fund (TF) No									
1 Category 1									
2 Category 2									
Total Uses of Funds	-	-	-	-	-	-			

**Tourism Development Program
Project Uses of Funds by Category
for the quarter ending [mm/dd/yy]**

Ln/Cr/TF No.:

Sheet No.:

Uses of Funds (by Category) */	Expenditures in the Current Quarter						
	Total	GOI counterpart	Reimbursement	SBUN	Outstanding	charged to WB Sp.Acc	charged to WB Sp.Acct
	Rp	Rp	Rp	Rp	Rp	Rp	US\$
	1	2	3	4	5	6	7
Investment Project Financing (PPF/IPF)							
1 Category 1		-	-	-	-		
2 Category 2							
Trust Fund (TF) No							
1 Category 1							
2 Category 2							
Non Bank Financed (Rupiah Murni)	-	-	-	-	-	-	-
Total Uses of Fund	-	-	-	-	-	-	-

Average Exchange rate: _____

Uses of Funds (by Category) */	Expenditures in Year to Date						
	Total	GOI counterpart	Reimbursement	SBUN	Outstanding	charged to WB Sp.Acc	charged to WB Sp.Acct
	Rp	Rp	Rp	Rp	Rp	Rp	US\$
	8	9	10	11	12	13	14
Investment Project Financing (PPF/IPF)							
1 Category 1							
2 Category 2							
Trust Fund (TF) No							
1 Category 1							
2 Category 2							
Non Bank Financed (Rupiah Murni)	-	-	-	-	-	-	-
Total Uses of Fund	-	-	-	-	-	-	-

Average Exchange rate: _____

Uses of Funds (by Category) */	Cumulative Expenditures to Date						
	Total	GOI counterpart	Reimbursement	SBUN	Outstanding	charged to WB Sp.Acc	charged to WB Sp.Acct
	Rp	Rp	Rp	Rp	Rp	Rp	US\$
	15	16	17	18	19	20	21
Investment Project Financing (PPF/IPF)							
1 Category 1							
2 Category 2							
Trust Fund (TF) No							
1 Category 1							
2 Category 2							
Non Bank Financed (Rupiah Murni)	-	-	-	-	-	-	-
Total Uses of Fund	-	-	-	-	-	-	-

Average Exchange rate: _____

*/ Please have a separate line item if the WB' financing percentage is different