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**ADDEDDUM No. 3 to Administration Agreement
Contract No. DCL-ASIE/2007/144-860**

Between

The European Union, represented by the European Commission,

of the one part,

And

The International Bank for Reconstruction and Development (“IBRD”) and International Development Association (“IDA”) (collectively, the “Bank”), 1818 H Street, N.W. Washington D.C. 20433 United States of America,

of the other part,

have agreed as follows:

The following provisions of Administration Agreement “**Java Reconstruction Fund (TF070639), Contract number DCL-ASIE/2007/144-860**”, concluded between the Commission and the Bank on 24 October 2007 is hereby amended as follows:

Article 3: Completion Date

Is replaced and reads as follows: It is expected that an amount of the trust fund equal to the Grant funds will be fully utilized in accordance with the provisions of this Administration Agreement by December 31, 2012 (the Completion Date). The Association shall only disburse the Grant funds (i.e. the European Community’s pro rata share of the funds remaining in the trust fund, including any investment income added thereto), for the purposed of this Administration Agreement after such date upon the prior written approval of the Commission.

Annex 1: Standard Provisions

Article 2.1(a) of Annex I is replaced and reads as follows: “Action Plan” means the Republic of Indonesia’s Action Plan for Yogyakarta-Central java Reconstruction and Rehabilitation and any other relevant action plan for Natural Disasters in Affected Areas.

Article 2.1(1) of Annex I is replaced and reads as follows:”Natural Disaster” means i) the Yogyakarta and Central java earthquake, ii) the earthquake and tsunami in West Java, and iii) the eruption of Mt. Merapi.

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Article 6 of Annex I is replaced and reads as follows: In order to assist in defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may, following deposit of the Contribution by the Donor, deduct from the Contribution and retain for the Bank's own account an amount not exceeding 0.32% of the Contribution. In addition, an amount no exceeding 4.0% of the Contribution will be allocated under the TF to cover the actual cost of (a) management of the program; and (b) implementation support provided under individual Projects.

Article 14.1(a) of Annex I is replaced and reads as follows: It is expected that the Contribution funds will be fully disbursed by the Trustee in Accordance with the provisions of this Agreement by December 31, 2012. The Bank will only disburse Contribution funds for the purpose of This Agreement after such date with the written approval of the Donors.

Annex II: Program Descriptions

Annex II is amended to add the following introductory paragraph: The Trust Fund may be used for all activities described in Section 3 (Purpose, Description of Activities and Expenditures under the Trust Fund) of Annex I. The detailed Program Description below is including support to rehabilitation and reconstruction relating to the eruption of Mount Merapi in late 2010.

All other terms and conditions of the Contract remain unchanged. This addendum shall enter into force on the later date of signature by the Parties.

**The International Bank for
Reconstruction and Development /
International Development Association**

Name: Mr Stefan G. Koeberle
Country Director, Indonesia

Signature: /s/ Stefan G. Koeberle

Date: June 24, 2011

**The European Union, represented by the
European Commission**

Name: Mr. Julian Wilson
Head of Delegation

Signature: /s/ Julian Wilson

Date: June 21, 2011