

Letter No. CD-165/WB/IX/2021

September 23, 2021

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

Dear Mr. Hadiyanto:

***Re: IBRD Loan No. 9278-ID and AIIB Loan No. L0512A
(Development of Pumped Storage Hydropower in Java Bali System Project)
Additional Instructions: Disbursement and Financial Information Letter***

I refer to the Loan Agreement between Republic of Indonesia (the “Borrower”) and International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of the proceeds of IBRD Loan No. 9278-ID (the “Loan”) in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”) and may be revised from time to time. Furthermore, this DFIL also serves as instructions of withdrawal of the proceeds of Loan No. L0512A provided by the Asian Infrastructure Investment Bank (AIIB) that co-finances the Project with the Bank Loan, as set forth in Other Disbursement Instructions of Schedule 1 below.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, and conditions, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) Electronic Delivery. Section 10.01 (c) of the General Conditions.

The Borrower will deliver Withdrawal Applications (with supporting documents) electronically through the Bank's web-based portal "Client Connection" at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Borrower who are authorized to sign and deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Borrower may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower 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, available in the World Bank's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

(i) Financial Reports. The Borrower must prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports ("IFR") for the Project covering the semester.

(ii) Audits. Each audit of the entity's Financial Statements of PT Perusahaan Listrik Negara (Persero), with notes of the Project's financial status in a format agreed with the Bank, must cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's website (<http://www.worldbank.org/>) and "Client Connection". The Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoans@WorldBank.org using the above reference.

Sincerely,



Satu Kahkonen

Country Director, Indonesia and Timor-Leste

Attachments

1. Interim unaudited Financial Report (IFR)

With copies: PT. PLN (Persero)
Jalan Trunojoyo Blok M - I No 135, Kebayoran Baru,
Jakarta 12160, Indonesia

Mr. Iskandar
Executive Vice President Treasury
Email: iskandar.divtre@pln.co.id

Mr. Evy Haryadi
Director of Corporate Planning
Email: e.haryadi@pln.co.id

Mrs. Sinthya Roesly
Director of Finance and Risk Management
Email: s.roesly@pln.co.id

Schedule 1 : Disbursement Provisions

Basic Information			
IBRD Loan Number	9278-ID	Country Borrower	Republic of Indonesia Ministry of Finance
		Name of the Operation	Development of Pumped Storage Hydropower in Java Bali System Project
		Closing Date	Section III.B.2 of Schedule 2 to the Loan Agreement.
		Disbursement Deadline Date	Four (4) months after the closing date. <i>Subsection 3.7 **</i>
Disbursement Methods and Supporting Documentation			
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>	
Direct Payment	Yes	Copy of Records	
Reimbursement	Yes	Interim Unaudited Financial Report (Attachment 1)	
Advance	No	Not applicable	
Special Commitments	Yes	Copy of Letter of Credit	
Minimum Value of Applications (subsection 3.5)			
The Minimum Value of Applications for Reimbursement, Direct Payment or Special Commitment is USD50,000 equivalent.			
Authorized Signatures (Subsection 3.1 and 3.2 *)			
Applications for this Loan will be signed by the officials authorized to sign Applications as indicated in the Ministry of Finance Letter No. S-148/PB/2021 dated May 10, 2021. Please notify the Bank promptly should there be any change in the authorized officials in this regard.			
Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 *)			
All Withdrawal Applications and supporting documentation will be electronically sent via the Bank's system <i>Client Connection</i> . For Withdrawal Applications in paper form, please submit to the address below:			
The World Bank 26 th Floor, One Global Place 5 th Avenue corner 25 th Street, Bonifacio Global City Taguig City, Philippines			
Attention: Senior Regional Team Leader, WFACS			

Other Disbursement Instructions

1. Part 1.1(a) of the Project will be jointly financed by the Bank and the Asian Infrastructure Investment Bank (AIIB), as the following:
 - a) The financing percentage for disbursement category (1) in the withdrawal table in Section IV.A.2 of Schedule 2 to the Loan Agreement is '100% of Bank Share of Total Lending', while the financing split between the Bank and AIIB for Part 1.1(a) of the Project will be 58.33% for the Bank and 41.67% for AIIB.
 - b) In the event that AIIB funds become available at a later date, the Bank's funds will fully finance this Part 1.1(a) and the financing split will be recalculated based on then available contributions when AIIB funds are available. Recalculated financing split, if necessary, will be communicated to the Borrower in a separate notice.
 - c) For contracts or part of contracts under Part 1.1(a) of the Project against which the use of Special Commitment is required, these contracts or part of the contracts will be financed by the Bank at 100%; as such, the financing split in sub-para a) above may be recalculated based on remaining contributions to Part 1.1(a) by the Bank and AIIB, and such revised financing split will be communicated to the Borrower and AIIB in writing.
2. The Bank will provide disbursement services for AIIB in respect of Part 1.1(a) the Project to be jointly financed by the Bank and AIIB, including review and approval of Application for Withdrawal. The Bank will provide such services using its own policies and procedures, including instructions contained in this DFIL.
3. The Application for Withdrawal for claims under Part 1.1(a) submitted by the Borrower for the Bank's review and processing will be used as the basis for review and processing by the Bank for payments for both the Bank's Loan part as well as the AIIB's Loan part, i.e. separate Application for Withdrawal for the AIIB's Loan part is not required of the Borrower. However, payment transfers will be effected by the Bank and AIIB respectively.

**** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing", dated February 2017.**