

September 6, 2000

His Excellency
Mr. Prijadi Praptosuhardjo
Minister of Finance
Ministry of Finance
Jalan Lapangan Banteng Timur 2-4
Jakarta 10710

Dear Mr. Minister:

Re: Ln. 4042-IND (East Java and East Nusa Tenggara Junior Secondary Education Project) Amendment of the Loan Agreement

We refer to the Loan Agreement (East Java and East Nusa Tenggara Junior Secondary Education Project) dated August 12, 1996 between the Republic of Indonesia and the International Bank for Reconstruction and Development (the Bank), as amended. We also refer to the Ministry of Finance's letter dated September 6, 2000, requesting an amendment to the Loan Agreement. We are pleased to inform you that, after due consideration, the Bank has agreed to amend paragraph 1(c) of Schedule 6 to the Loan Agreement to read as follows:

"(c) the term "Authorized Allocation" means an amount equivalent to US\$ 17,000,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3 (a) of this schedule."

Please confirm your agreement with the foregoing by signing and dating the enclosed copy of this letter and returning it to us. This amendment will be effective as of the date of your confirmation.

With best regards,

Sincerely,

By /s/ Mark Baird
Country Director,
Indonesia

CONFIRMED

REPUBLIC OF INDONESIA

By /s/ A. Anshari Ritonga
Authorized Representative

Date: September 18, 2000

cc. - Mr. Asrun Fachruddin, Director of Budget Administration, MOF
- Mr. Edi Karsanto, Director of External Funds, MOF
- Mr. Indra Djati, Sidi, Director General for Primary and Secondary Educ., MONE

