



CONFORMED COPY

Stefan G. Koeberle
Country Director, Indonesia

Letter No. CD-245/JRF/VI/2011

June 9, 2011

Mr. James A. Nugent
Country Director,
Indonesia Resident Mission
Asian Development Bank
Gedung BRI II, 7th Floor
Jl. Jend. Sudirman Kav. 44-46
Jakarta 10210

Dear Mr. Nugent:

***Re: Java Reconstruction Fund (TF070639) - Extension of Trust Fund
and Amendment No. 2 to Contribution Arrangement***

We refer to the trust fund administration arrangement (No. TF070639), dated November 25, 2008, as amended (“Contribution Arrangement”) between the Asian Development Bank (the “Donor”) and the International Bank for Reconstruction and Development (“IBRD”) and International Development Association (“IDA”, and collectively with IBRD, the “Bank”), acting as Trustee (the “Trustee”) for the Java Reconstruction Fund (“JRF”), relating to the contribution by the Donor to the JRF. Capitalized terms used but not defined in this amendment have the meanings given to them in the Contribution Arrangement.

The Donor and the Bank have agreed to amend the Contribution Arrangement as set out below (the “Amendment”).

1. Sub-paragraphs (a) and (l) of Section 2.1 (Definitions) of the Annex to the Administration Agreement (Standard Provisions) are amended as follows (the amended language is italicized for ease of reference):

“(a) “Action Plan” means the Republic of Indonesia’s Action Plan for Yogyakarta-Central Java Reconstruction and Rehabilitation *and any other action plan for Natural Disasters in Affected Areas.*”

“(l) “Natural Disasters” means i) the Yogyakarta and Central Java earthquake, ii) the earthquake and tsunami in West Java, and iii) *the eruption of Mt. Merapi.*”

2. Section 6 of the Annex to the Contribution Arrangement (Standard Provisions) is amended as follows (the amended language is italicized for ease of reference):

“6. Administrative Cost Recovery

6.1. In order to assist in defrayment of the costs of administration and other expenses incurred by the Bank under this Arrangement, 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 not

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.”

3. Section 14.1 of the Annex to the Contribution Arrangement (Standard Provisions) is amended to extend the Disbursement Deadline of the Trust Fund as follows (the amended language is italicized for ease of reference):

“14.1 It is expected that the Contribution funds will be fully disbursed by the Trustee in accordance with the provisions of this Arrangement 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.”

4. All provisions of the Contribution Arrangement remain the same.

Please confirm your agreement to the Amendment on behalf of the Donor by signing and dating as indicated below both originals of this Amendment, and keeping one original for your files and returning the other to us for our records. Upon receipt by the Trustee of a fully signed original of this Amendment, this Amendment will become effective as of the last date of signature of corresponding amendments by all donors to the JRF.

It is understood that this Amendment is not an international treaty. It is an administrative arrangement between the Donor and the Bank.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT /
INTERNATIONAL DEVELOPMENT ASSOCIATION,
acting as Trustee of the Java Reconstruction Fund

/s/ Stefan G. Koeberle
Country Director, Indonesia

CONFIRMED AND AGREED

ASIAN DEVELOPMENT BANK

by: /s/ Mr. James A. Nugent

Name: Mr. James A. Nugent

Title: Country Director, Indonesia Resident Mission, Asian Development Bank

Date: June 17, 2011

