

Letter No: CD-214//WB/WINRIP/XII/2018

December 28, 2018

Mr. Luky Alfirman
Director General of Budget Financing and Risk Management
Ministry of Finance
Gedung Frans Seda
Jl. DR. Wahidin Raya No. 1
Jakarta 10710
Indonesia

Dear Mr. Alfirman:

**Re: Loan No. 8043-ID (Western Indonesia National Roads Improvement Project)
Amendment No. 5**

We refer to the Loan Agreement (“Loan Agreement”), dated December 14, 2011, as amended through November 23, 2017, between the Republic of Indonesia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the Western Indonesia National Roads Improvement Project (the “Project”). We also refer to your letter dated December 14, 2018 requesting the Bank to: (i) reallocate the proceeds of Loan; (ii) extend the Closing Date; (iii) amend the Loan Agreement to reflect a revision to the Project development objective and the implementation arrangements.

We are pleased to inform you that, after due consideration, the Bank accedes to your request. Accordingly, the Bank: (i) hereby reallocates the proceeds of the Loan allocated in the withdrawal table in Section IV.A.2 of Schedule 2 to the Loan Agreement as shown in the revised table in the Attachment to this amendment letter; (ii) has established February 28, 2021 as the later date for purposes of Section IV.B.2 of Schedule 2 to the Loan Agreement; and (iii) proposes to amend the Loan Agreement as set out below in this amendment letter (the “Amendment”).

1. The objective of the Project in Schedule 1 to the Loan Agreement is amended and restated as follows:

“The objectives of the Project are to increase the effective use of selected sections of National Roads along the Western Sumatera Corridor by reducing road user costs and to restore the functionality of selected sections of National and Sub-National roads in disaster-affected areas in Central Sulawesi.”

2. Section I.A.3 of Schedule 2 to the Loan Agreement is amended to read as follows:

“Regional Project Implementation Units (*Balai*). Except as the Borrower and the Bank shall otherwise agree in writing, the Borrower, through DGH, shall ensure that Balai II shall be the Regional Project Implementation Unit for Sub-Projects in North Sumatera Province, Balai III shall be the Regional Project Implementation Unit for Sub-Projects in West Sumatera Province and Bengkulu Province, Balai V shall be the Regional Project Implementation Unit for Sub-Projects in

Lampung Province, and Balai XIV shall be the Regional Project Implementation Unit for Sub-Projects in Central Sulawesi Province, in each case until completion of the Project.”

3. Section I.A.4 of Schedule 2 to the Loan Agreement is amended to read as follows:

“Project Managers (*Satkers*). Except as the Borrower and the Bank shall otherwise agree in writing, the Borrower, through DGH, shall ensure that a Project Manager is appointed in Balai II for North Sumatera Province, in Balai III for each West Sumatera Province and Bengkulu Province, in Balai V for Lampung Province, and in Balai XIV for Central Sulawesi Province, and each such Project Manager shall be responsible for overall management of Sub-Projects in the Province to which such Project Manager is assigned, in each case until completion of such Sub-Project, in accordance with terms of reference satisfactory to the Borrower and the Bank.”

4. Section I.A.6 of Schedule 2 to the Loan Agreement is amended to read as follows:

“Sub-Project Technical Supervisors (*Perencanaan dan Pengawasan Jalan Nasional*). Except as the Borrower and the Bank shall otherwise agree in writing, the Borrower, through DGH, shall ensure that the Sub-Project Technical Supervisor in North Sumatera Province under Balai II, in West Sumatera Province and Bengkulu Province under Balai III, in Lampung Province under Balai V, and in Central Sulawesi Province under Balai XIV, shall supervise overall technical quality in the Sub-Projects in the Province to which such Sub-Project Technical Supervisor is assigned, in each case, with terms of reference satisfactory to the Borrower and the Bank.”

5. Section I.A.8 of Schedule 2 to the Loan Agreement is amended to read as follows:

“8. Design and Supervision Consultants. (a) The Borrower, through DGH, shall ensure that the Project Management Unit and each of Balai II, Balai III and Balai V shall at all times during Project implementation in the Provinces of North Sumatera, West Sumatera, Bengkulu and Lampung be supported by duly qualified Design and Supervision Consultants with terms of reference satisfactory to DGH and the Bank to assist the Project Managers in design (in the case of WP-2 and WP-3), procurement and supervision of civil works financed with the proceeds of the Loan. The Design and Supervision Consultants shall establish and maintain representatives in each of Balai II, Balai III (which shall also be the main representative office of the Design and Supervision Consultants) and Balai V and for each Sub-Project in each case until completion of such Sub-Project.

(b) Except as the Bank and the Borrower may otherwise agree in writing, the Borrower, through DGH, shall have entered into a contract for the Design and Supervision Consultants no later than the date on which the first civil works of contract for an WP-1 Sub-Project is signed.”

6. Section I.A of Schedule 2 to the Loan Agreement is amended to add a new paragraph 10 as follows:

“10. **Construction Supervision/Construction Management Consultants.** The Borrower, through DGH, shall ensure that the Project Management Unit and Balai XIV shall at all times during Project implementation in Central Sulawesi be supported by duly qualified Construction Supervision/Construction Management Consultants with terms of reference satisfactory to DGH and the Bank to assist the Project Manager in supervision of civil works financed with the proceeds of the Loan. The Construction Supervision/Construction Management Consultants shall establish and maintain representatives in Balai XIV until completion of such Sub-Project.”

7. Annex 1 to Schedule 2 (Work Program Sub-Projects) is amended as stated in Attachment 2 of this Amendment.
8. Appendix (“Definitions”): The term “Balai XIV” is added between paragraph 7 and 8 to read as follows:
 - “7(a). “Balai XIV” means the Balai related to the Project that includes Central Sulawesi Province, a Project Province, and which is part of the Project implementation arrangements as set out in paragraph 3 of Section I.A of Schedule 2 to this Agreement.”
9. Appendix (“Definitions”): The term “Construction Supervision/Construction Management Consultants” is added between paragraphs 9 and 10 to read as follows:
 - “9(a). “Construction Supervision/Construction Management Consultants” means the construction supervision/construction management consultants, financed by the proceeds of the Loan, as referred to in paragraph 10 of Section I.A of Schedule 2 to the this Agreement, assigned to assist the Project Management Unit, Balai XIV and the relevant Project Manager, with the terms of reference satisfactory to the Borrower and the Bank.”
10. Appendix (“Definitions”): The term “Project Area” in paragraph 31 is amended to read as follows:
 - “31. “Project Area” means the corridor of National Roads and Sub-National Roads running through the Provinces of North Sumatera, West Sumatera, Bengkulu, Lampung and Central Sulawesi.”
11. Appendix (“Definitions”): The term “Project Implementation Unit” in paragraph 33 is amended to read as follows:
 - “33. “Regional Project Implementation Unit” means each of Balai II, Balai III, Balai V and Balai XIV, in its function as the implementation unit for the Project in its respective Provinces.”
12. Appendix (“Definitions”): The term “Project Province” in paragraph 37 is amended to read as follows:
 - “37. “Project Province” refers to any one of the five Project Provinces in which the Project will be implemented: North Sumatra, West Sumatra, Bengkulu, Lampung and Central Sulawesi.”
13. Appendix (“Definitions”): The term “Sub-National Roads” is added between paragraphs 39 and 40 to read as follows:
 - “39(a). “Sub-National Roads” means those roads designated as provincial or district/city level roads by the Ministry of Public Works and Housing.”
14. Appendix (“Definitions”): The term “Sub-Project” in paragraph 40 is amended to read as follows:
 - “40. “Sub-Project” means each road or bridge betterment, capacity expansion, rehabilitation or reconstruction activity under Part 1 or Part 4 of the Project and listed in Annex 1 to Schedule 2 to this Agreement, with the implementation arrangements as specified in a Work Program agreed between the Borrower and the Bank.”

Unless the context otherwise requires and except where otherwise defined in this Amendment, all capitalized terms contained herein shall have the meanings given to them in the Loan Agreement.


Except as specifically set out in this Amendment, all terms and conditions in the Loan Agreement remain unchanged.

Please confirm your agreement to the foregoing on behalf of the Borrower by countersigning and dating the corresponding form of confirmation set forth below and returning one fully countersigned original of this Amendment to us. Upon receipt by the Bank of this Amendment duly countersigned by an authorized representative of the Borrower, the above amendments to the Loan Agreement shall become effective.

**Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Bertine Kamphuis
Acting Country Director, Indonesia and Timor-Leste

CONFIRMED:
REPUBLIC OF INDONESIA

By: _____
Name: LUKY ALFIRMAN 
Title: DG OF BUDGET FINANCING & RISK MANAGEMENT
Date: JANUARY 11 , 2019

Attachment

**Revised Withdrawal Schedule
(Section IV.A.2 of Schedule 2)**

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Civil Works under Part 1 of the Project	205,000,000	70%
(2) Goods, Non-consulting Services, Consultants Services and Incremental Operating Costs* under Part 2 of the Project	20,000,000	100%
(3) Goods, Non-consulting services and Consultants' Services under Part 3 of the Project	0	100%
(4) Works, Goods, Non-Consulting Services, Consultants' Services and Incremental Operating Costs* under Part 4 of the Project	25,000,000	100%
(5) Unallocated	0	
Original Loan amount	250,000,000	

REVISED ANNEX 1 TO SCHEDULE 2
Work Program Sub-Projects

No.	Sub-project	Province
List of WP-1 Proposed Sub-Projects		
1	Krui – Biha	Lampung
2	Padang Sawah – Sp. Empat including the Air Gadang Bridge	West Sumatra
3	Manggopoh – Padang Sawah	West Sumatra
4	Ipuh – Bantal	Bengkulu
List of WP-2 Proposed Sub-Projects		
5	Simpang Rampa – Poriaha	North Sumatra
5A	Slope Management Rampa – Poriaha	North Sumatra
6	Ps. Pedati – Kerkap	Bengkulu
7	Indrapura – Tapan	West Sumatra
8	Bts. Kota Pariaman – Manggopoh	West Sumatra
9	[DELETED AND INTENTIONALLY LEFT BLANK]	
10	[DELETED AND INTENTIONALLY LEFT BLANK]	
11	Bantal – Mukomuko	Bengkulu
12	Kambang – Indrapura	West Sumatra
13	Sp Rukis – Tj Kemuning	Bengkulu
List of WP-3 Proposed Sub-Projects		
14	Painan – Kambang	West Sumatra
15	Sibolga – Batas TapSel	North Sumatra
16	Seblat - Ipuh including Air Lalang & Air Guntung bridge	Bengkulu
17	Sp. Gng Kemala – Pugung Tampak	Lampung
18	[DELETED AND INTENTIONALLY LEFT BLANK]	
19	Lais – Bintuan	Bengkulu
20	Lubuk Alung – Sicincin	West Sumatra
21	Lubuk Alung – Kuraitaji	West Sumatra
21A	Lubuk Alung – Kuraitaji (completion)	West Sumatra
List of Rehabilitation and Reconstruction (RR) Sub-Projects		
RR-01	Tompe - Dalam Kota Palu – Surumana	Central Sulawesi
RR-02	Palupi - Simoro, Kalukubula - Kalawara, Birobuli – Palolo and Akses Huntap	Central Sulawesi