Loan Agreement

(Second Power Transmission Development Project/
Scattered Transmission Lines and Substations in Indonesia Phase II)

between

REPUBLIC OF INDONESIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated AUGUST 28, 2013
LOAN AGREEMENT

Agreement dated August 28, 2013, between REPUBLIC OF INDONESIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, three hundred twenty five million Dollars ($325,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than 60 days after the Effective Date.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are March 15 and September 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, the event specified in Section 4.01 of this Agreement occurs.
ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Loan Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Loan Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its minister at the time responsible for finance.

6.02. The Borrower’s Address is:

Directorate General of Debt Management
Ministry of Finance
Gedung Frans Seda
Jalan Dr. Wahidin No.1
Jakarta 10710
Indonesia

Cable: FINMINISTRY 45799
Facsimile: 62-21-381-2859
Jakarta

6.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Jakarta, Republic of Indonesia, as of the day and year first above written.

REPUBLIC OF INDONESIA

[Signature]

Authorized Representative

Name: Robert Pakpahan

Title: Expert Staff of Minister of Finance on State Revenue with Full Mandate as Director General of Debt Management

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Authorized Representative

Name: JOSEPHINE BASSIMEETTE

Title: ACTING COUNTRY DIRECTOR
SCHEDULE 1

Project Description

The objective of the Project is to meet growing electricity demand and increase access to electricity in the Project Area through strengthening and expanding the capacity of the power transmission networks in the Project Area in a sustainable manner.

The Project consists of the following parts:

1. Extension and rehabilitation of selected existing 150/20 kV substations and 70/20 kV substations in the Project Area, including adding one or more new transformers and associated equipment; and/or replacing existing transformers with new transformers and associated equipment with higher capacity.

2. Construction of selected new 150/20 kV substations in the Project Area, including installation of transformers and associated equipment.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Subsidiary Loan Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a Subsidiary Loan Agreement between the Borrower and the Project Implementing Entity, in accordance with the regulations of the Borrower in this regard and under terms and conditions agreed by the Borrower and the Bank, and which shall include the following obligations of the Project Implementing Entity:

(a) to make: (i) payment to the Borrower of a front-end fee in an amount equal to the Front-end Fee specified in Section 2.03 of this Agreement; (ii) repayment to the Borrower of the proceeds of the Loan over a period consistent with Section 2.06 of this Agreement; and (iii) payment to the Borrower of interest on the Withdrawn Loan Balance at a variable rate per annum equal to the rate payable by the Borrower pursuant to Section 2.04 of this Agreement, subject to any request that the Borrower may make pursuant to Section 2.07 of this Agreement, plus a maximum of one half of one percent (0.5%) per annum; and

(b) to ensure that the Project is carried out in accordance with all of the provisions of the Loan Agreement and the Project Agreement applicable to the Project Implementing Entity.

2. The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Borrower and the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned or any provision thereof.

B. Implementation Arrangements

1. The Borrower shall: (a) ensure that the Project is carried out in accordance with the Project Implementation Plan; and (b) except as the Bank and the Borrower shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned or any provision thereof.

2. In the event of any conflict between the provisions of the Project Implementation Plan and those of this Agreement, the latter shall prevail.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guideline and the Governance and Accountability Framework.
D. Safeguards

The Borrower shall take all measures necessary to comply with, or measures necessary to enable the Project Implementing Entity to complete the acquisition of land and all rights to use related thereto required for the Project Implementing Entity to carry out the Project and to comply with, the provisions of Section I.D of the Schedule to the Project Agreement.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall monitor and evaluate the progress of the Project and shall cause the Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed in writing between the Project Implementing Entity and the Bank. Each such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have or cause to have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines.
B. **Particular Methods of Procurement of Goods and Works**

*International Competitive Bidding.* Goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

C. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. **Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and works for the Project</td>
<td>325,000,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>325,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) until the Bank has received payment in full of the Front-end Fee; or
   
   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2018.
SCHEDULE 3
Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 Mar 2021</td>
<td>2.64%</td>
</tr>
<tr>
<td>15 Sep 2021</td>
<td>2.71%</td>
</tr>
<tr>
<td>15 Mar 2022</td>
<td>2.77%</td>
</tr>
<tr>
<td>15 Sep 2022</td>
<td>2.84%</td>
</tr>
<tr>
<td>15 Mar 2023</td>
<td>2.91%</td>
</tr>
<tr>
<td>15 Sep 2023</td>
<td>2.99%</td>
</tr>
<tr>
<td>15 Mar 2024</td>
<td>3.06%</td>
</tr>
<tr>
<td>15 Sep 2024</td>
<td>3.14%</td>
</tr>
<tr>
<td>15 Mar 2025</td>
<td>3.22%</td>
</tr>
<tr>
<td>15 Sep 2025</td>
<td>3.30%</td>
</tr>
<tr>
<td>15 Mar 2026</td>
<td>3.38%</td>
</tr>
<tr>
<td>15 Sep 2026</td>
<td>3.46%</td>
</tr>
<tr>
<td>15 Mar 2027</td>
<td>3.55%</td>
</tr>
<tr>
<td>15 Sep 2027</td>
<td>3.64%</td>
</tr>
<tr>
<td>15 Mar 2028</td>
<td>3.73%</td>
</tr>
<tr>
<td>15 Sep 2028</td>
<td>3.82%</td>
</tr>
<tr>
<td>15 Mar 2029</td>
<td>3.92%</td>
</tr>
<tr>
<td>15 Sep 2029</td>
<td>4.02%</td>
</tr>
<tr>
<td>15 Mar 2030</td>
<td>4.12%</td>
</tr>
<tr>
<td>15 Sep 2030</td>
<td>4.22%</td>
</tr>
<tr>
<td>15 Mar 2031</td>
<td>4.33%</td>
</tr>
<tr>
<td>15 Sep 2031</td>
<td>4.43%</td>
</tr>
<tr>
<td>15 Mar 2032</td>
<td>4.55%</td>
</tr>
<tr>
<td>15 Sep 2032</td>
<td>4.66%</td>
</tr>
<tr>
<td>15 Mar 2033</td>
<td>4.78%</td>
</tr>
<tr>
<td>15 Sep 2033</td>
<td>4.89%</td>
</tr>
<tr>
<td>15 Mar 2034</td>
<td>4.92%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>
2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. "Directorate of Finance" means the directorate of the Project Implementing Entity responsible for finance, or any successor thereto.

4. "Directorate of Planning and Affiliation Development" means the directorate of the Project Implementing Entity responsible for planning and affiliation development, or any successor thereto.

5. "Directorate of Strategic Procurement and Primary Energy" means the directorate of the Project Implementing Entity responsible for procurement and primary energy, or any successor thereto.

6. "Eligibility Criteria" means the criteria for Sub-projects set out in paragraph 3(a) of Section 1.B of the Schedule to the Project Agreement.

7. "Environmental and Social Management Framework" means the Project Implementing Entity's framework, dated February 28, 2013 and adopted by PLN on April 2, 2013 and agreed with the Bank, setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental and/or social impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, including the requirements for each Group 2 Sub-project for the development of either Site-Specific Provisions to form an attachment to the Environmental Management Plan (Extension and Rehabilitation) or an Environmental Management Plan (New Construction), as applicable, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such framework.

8. "Environmental Codes of Practice" means standard environmental specifications for contractors of PLN, acceptable to the Bank and included in the Environmental and Social Management Framework, and required to be included in bidding documents and contracts and supervised during the implementation of civil works for each Sub-Project, together with the procedural and institutional measures needed to implement such practices, and such term includes any schedules or annexes to such codes of practice.

9. "Environmental Management Plan" means either an Environmental Management Plan (Extension and Rehabilitation), together with applicable Site Specific Provisions, or an Environmental Management Plan (New Construction), as applicable.
10. "Environmental Management Plan (Extension and Rehabilitation)" means the Project Implementing Entity’s plan, satisfactory to the Bank, dated February 28, 2013, which: (a) sets out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, Environmental Codes of Practice (standard environmental specifications) for contractors, and chance finds procedures to eliminate any adverse environmental impacts of activities of extension and rehabilitation to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts; (b) for the purposes of implementation by the Project Implementing Entity of each Sub-project, attaches the relevant Site-Specific Provisions for such Sub-project as approved in writing by the Bank; and (c) includes any modifications to such plan made from time to time with the prior written agreement of the Bank, and any schedules or annexes to such plan.

11. "Environmental Management Plan (New Construction)" means each of the Project Implementing Entity’s plans for Group 2 Sub-projects with new construction referred to in paragraph 8 of Section I.D of the Schedule to the Project Agreement, to be developed by the Project Implementing Entity and agreed with the Bank, which sets out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, Environmental Codes of Practice (standard environmental specifications for contractors) and chance finds procedures, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such plan.


13. "Group 1 Sub-projects" means Sub-projects: (a) meeting the Eligibility Criteria, including, without limitation, the criteria set out in paragraph 3(a) of Section I.B of the Schedule to the Project Agreement; (b) expected to begin implementation prior to the first anniversary of the date of signing of this Agreement; and (c) approved in writing by the Bank for inclusion as Group 1 Sub-projects in the Project Implementation Plan as originally adopted by the Project Implementing Entity pursuant to the Project Implementation Plan and paragraph 1(a) of Section I.B of the Schedule to the Project Agreement.

14. "Group 2 Sub-projects" means Sub-projects: (a) meeting the Eligibility Criteria, including, without limitation, the criteria set out in paragraph 3(a) of Section I.B of the Schedule to the Project Agreement; (b) expected to begin implementation on or after the first anniversary of the signing of this Agreement; and (c) approved in writing by the Bank for inclusion as Group 2 Sub-projects in a revisions to the Project Implementation Plan duly adopted by the Project Implementing Entity.

15. "Governance and Accountability Framework" means the Project Implementing Entity’s framework, part of the Project Implementation Plan, setting out measures to reinforce Project governance, enhance transparency of Project activities, increase public accountability, and reduce opportunities for corruption, fraud, or collusion, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such framework.
16. "Indigenous Peoples" means those social groups in Indonesia that have a distinct social and cultural identity, and that are susceptible to being disadvantaged in the development process affected by the Project or any part thereof as follows: (a) masyarakat adat (customary law communities) based on lineage or locality and bound by customary law with characteristics including: (i) self-identification as a distinct indigenous cultural group; (ii) collective attachment to ancestral territories and to the natural resources in the territories; and (iii) customary cultural, economic, social, or political institutions; and (b) Komunitas Adat Terpencil (KAT) (Isolated and Vulnerable communities), a category of customary law communities designated by the Borrower that live in isolated areas with characteristics including: (i) collective attachment to ancestral territories and to the natural resources in the territories; (ii) customary cultural, economic, social, or political institutions; (iii) an indigenous language; (iv) having a subsistence economy; (v) using simple tools and technology; (vi) having a high dependence on the environment and local natural resources; and (vii) having restricted access to social, economic, and political services.

17. "Indigenous Peoples Plan" means each plan referred to in paragraph 10 of Section I.D of the Schedule to the Project Agreement, to be developed by the Project Implementing Entity and agreed with the Bank for each Group 2 Sub-project with respect to which Indigenous Peoples have been identified in accordance with the Indigenous Peoples Planning Framework, setting out measures to avoid, and, if not possible, minimize cultural, social and economic adverse effects on Indigenous Peoples, caused or likely to be caused by the Project, by taking appropriate mitigating measures, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such plan.

18. "Indigenous Peoples Planning Framework" means the Project Implementing Entity's framework, satisfactory to the Bank, dated February 28, 2012, setting out measures to avoid, and, if not possible, minimize cultural, social and economic adverse effects on Indigenous Peoples, caused or likely to be caused by the Project, as such Indigenous Peoples Planning Framework may be modified from time to time with the prior written agreement of the Bank, and such term includes all schedules and annexes to such framework.


20. "Land Acquisition and Resettlement Action Plan" means each land acquisition and resettlement action plan, referred to in paragraph 9 of Section I.D of the Schedule to the Project Agreement, to be developed by the Project Implementing Entity and agreed with the Bank for each Group 2 Sub-project which will result in Project Affected People, setting out the arrangements pertaining to land acquisition and the resettlement, rehabilitation, and compensation of such Project Affected People under the Project in accordance with the Land Acquisition and Resettlement Policy Framework, as any such plan may be modified from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such plan.
21. "Land Acquisition and Resettlement Policy Framework" means the land acquisition and resettlement policy framework, satisfactory to the Bank, dated February 28, 2012, setting out the arrangements pertaining to land acquisition and the development of Land Acquisition and Resettlement Action Plans for the compensation, resettlement, and rehabilitation of Projected Affected People, as such Land Acquisition and Resettlement Policy Framework may be modified from time to time with the prior written agreement of the Bank, and such term includes all schedules and annexes to such framework.

22. "Procurement Committee" means the Project Implementing Entity’s procurement committee referred to in paragraphs 3 and 5 of Section I.A of the Schedule to the Project Agreement.


24. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated May 3, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines, as the same shall be updated from time to time in accordance with the provisions of such paragraphs.

25. "Project Affected Person" means a person who, on account of implementation of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

26. "Project Area" means selected parts of the territory of the Borrower as follows: (i) in East Indonesia, the Provinces of South Kalimantan, Central Kalimantan, East Kalimantan, West Kalimantan, South Sulawesi, Central Sulawesi, North Sulawesi, West Sulawesi, South East Sulawesi and Gorontalo; (ii) in Java-Bali, the Provinces of Bali, Banten, Central Java, East Java, Jakarta, West Java, and Yogyakarta; and (iii) in West Indonesia, the Provinces of Aceh, North Sumatra, Bengkulu, Jambi, Lampung, South Sumatra, West Sumatra, Riau, Riau Islands, and Bangka-Belitung, or such other Provinces as may be agreed in writing between PLN and the Bank, and this term includes any future administrative division or reorganization of these territories in these Provinces by the Borrower.

27. "Project Implementation Plan" means the Project Implementing Entity’s plan, including the Governance and Accountability Framework and the Procurement Plan, referred to in paragraph 1 of Section I.B of the Schedule to the Project Agreement, satisfactory to the Bank, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules or annexes to such plan.


30. "Project Management Unit" means the Project Implementing Entity's unit, under the Directorate of Planning and Affiliation Development, established and operating pursuant to the Project Implementing Entity's Decree No. 303.K/DIR/2013 of May 14, 2013, and whose responsibilities under the Project are set out in paragraph 3 of Section I.A of the Schedule to the Project Agreement.

31. "Province" means an administrative sub-division of the Borrower's territory at the first level below the national level.


33. "Site-Specific Provisions" means the provisions forming one or more attachments to the Environmental Management Plan (Extension and Rehabilitation) for each Sub-project with extension and rehabilitation activities which shall: (a) for Site-Specific Provisions for Group 1 Sub-projects mean those provisions attached to the Environmental Management Plan (Extension and Rehabilitation) as adopted by the Project Implementing Entity on April 2, 2013; and (b) for Site-Specific Provisions for Group 2 Sub-projects, mean those provisions as have been prepared, approved and disclosed in accordance with paragraph 7 of Section I.D of the Schedule to the Project Agreement.

34. "Sub-project" means one or more contract packages, for one or more substations, grouped together for procurement purposes under the Project.

35. "Subsidiary Loan Agreement" means the agreement referred to in Section 5.01 of this Agreement and in paragraphs 1 of Section I.A of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.