Loan Agreement

(Investing in Nutrition and Early Years Program)

between

REPUBLIC OF INDONESIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF INDONESIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS: (A) the Borrower, having satisfied itself as to the feasibility and priority of the program described in Schedule 1 to this Agreement ("Program") has requested the Bank to extend a loan to assist in the financing of the Program;

(B) the Borrower has also requested the Bank, acting as administrator of the Global Financing Facility ("GFF"), to provide additional assistance towards the achievement of the objective of the Program, and the Bank, acting as administrator of the GFF intends to make available to the Borrower a grant for such purpose in an amount of twenty million United States Dollars (USD 20,000,000) ("GFF Grant") pursuant to the agreement to be entered into between the Borrower and the Bank, acting as administrator of the GFF ("GFF Grant Agreement");

NOW THEREFORE, 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) apply to and form 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 the amount of four hundred million United States Dollars (USD 400,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the Program.

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread; or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are January 15 and July 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.
2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank’s financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank’s total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the objective of the Program. To this end, the Borrower shall carry out the Program through the Ministry of State Secretariat in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The GFF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

(b) The Ministry of Finance has sent a Letter of Assignment to BPKP, authorizing BPKP to carry out the verification of the DLRs under the Program, in accordance with Section I.B of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister of Finance.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:
    Directorate General of Budget Financing and Risk Management
    Ministry of Finance
    Gedung Frans Seda
    Jl. DR. Wahidin Raya No. 1
    Jakarta 10710 – Indonesia; and

(b) the Borrower’s Electronic Address is:
    Facsimile: 62-21-381-2859

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:
    International Bank for Reconstruction and Development
    1818 H Street, N.W.
    Washington, D.C. 20433
    United States of America; and

(b) the Bank’s Electronic Address is:
    Facsimile: 1-202-477-6391
AGREED as of the Signature Date.

REPUBLIC OF INDONESIA

By

Authorized Representative

Name: LUKY AL FIRMAN
Title: DIRECTOR GENERAL OF BUDGET FINANCING AND RISK MANAGEMENT
Date: AUGUST 1, 2018

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: George Soraya
Title: Acting Country Director
Date: July 10, 2018
SCHEDULE 1

Program Description

The objective of the Program is to increase simultaneous utilization of nutrition interventions by 1,000-Day Households in Priority Districts.

The Program consists of the following activities:

A. Strengthening National Leadership

Carrying out a program of activities to: (a) secure annual commitments of Priority District Leaders to converge the delivery of District nutrition programs and activities; (b) improve expenditure systems for monitoring and assessing the performance of national spending on nutrition interventions; and (c) accelerate learning and knowledge sharing.

B. Strengthening Delivery of National Sector Programs

(a) Increasing the capacity of ECED teachers in delivering nutrition-sensitive services to parents and 0-2 years old children; (b) enhancing the nutrition-sensitivity and implementation quality of the BPNT; and (c) increasing the capacity of Districts to design - and Puskesmas to deliver - locally-adapted interpersonal communication activities.

C. Strengthening Convergence of District Activities

(a) Strengthening evidence- and results-based budgeting at the District-level; (b) incentivizing Districts to spend more and better on nutrition interventions and monitoring systems (including behavioral change programming); and (c) improving the prioritization of Districts’ and Villages’ plans and budgets to address stunting.

D. Converging Village Service Delivery

(a) Converging delivery of priority interventions on all 1,000-Day Households in Villages; (b) incentivizing Villages to allocate more Dana Desa to priority nutrition-specific and nutrition sensitive interventions; and (c) increasing the quality and community participation in community-based growth promotion activities.
SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Institutions

1. The Borrower shall establish by October 31, 2018, and, thereafter, maintain, at all times during the implementation of the Program, the following entities, with staff, functions and resources satisfactory to the Bank:

   (a) a Leadership Committee, chaired by the Vice President and co-chaired by the Coordinating Minister for Human Development and Culture, consisting of ministers/head of agencies, or their designates, from Bappenas, Ministry of Finance, Ministry of Health, Ministry of Education and Culture, Ministry of Social Affairs, Ministry of Villages, Development of Disadvantaged Areas and Transmigration, Ministry of Home Affairs, and BPS, which shall be responsible for setting policies and annual targets, reviewing progress and performance, resolving specific issues as required, and approving the Program annual reports; and

   (b) a Steering Committee, chaired by the Deputy for Human Development and Equality of the Ministry of State Secretariat and co-chaired by the Deputy for Health of the Coordinating Ministry for Human Development and Culture and the Deputy for Human and Societal Development and Cultural Affairs of Bappenas, consisting of echelon-I officials of Bappenas, Ministry of Finance, Ministry of Health, Ministry of Social Affairs, Ministry of Education and Culture, Ministry of Home Affairs, Ministry of Villages, Disadvantaged Areas and Transmigration, BPS and BPKP, which shall be responsible for providing guidance throughout Program implementation and carrying out semi-annual monitoring reviews.

2. The Borrower shall, at all times during the implementation of the Program, cause the Ministry of State Secretariat to be responsible for the overall coordination and implementation of the Program activities, and the Borrower shall take or cause to be taken, all actions, including the provision of funding, personnel and other resources to enable the Ministry of State Secretariat to perform its respective functions under the Program.

3. The Borrower shall, at all times during the implementation of the Program, cause Bappenas and the Ministry of Finance to enable the Program implementation through ensuring that plans and budget allocations are consistent with the Program’s targets and policies as set out by the Leadership Committee.

B. DLR Verification Arrangements

1. The Borrower shall appoint BPKP to act as a verification agent for the Program in accordance with the terms of reference acceptable to the Bank.
2. The Borrower shall ensure that BPKP shall: (a) verify the data and other evidence supporting the achievement(s) of one or more DLRs and recommend corresponding payments to be made, as applicable, in accordance with the Verification Protocol agreed with the Bank; and (b) submit to the Bank the corresponding verification reports in a timely manner and in form and substance satisfactory to the Bank.

C. Program Action Plan

The Borrower shall:

1. undertake the actions set forth in the Program Action Plan in a manner satisfactory to the Bank;

2. 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 Program Action Plan, or any provision thereof; and

3. maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Program Action Plan.

D. Operations Manual

1. The Borrower shall adopt, no later than four (4) months after the Signature Date, and carry out the Program in accordance with the Operations Manual, acceptable to the Bank, which shall include the detailed institutional, administrative, financial, technical and operational guidelines and procedure for the implementation of the Program, and thereafter carry out the Program in accordance with such operations manual, as shall have been approved by the Bank ("Operations Manual").

2. The Borrower shall not amend, abrogate or suspend, or permit to be amended, abrogated, or suspended, any provision of the Operations Manual, without the prior written agreement of the Bank.

3. In the event of any conflict between the provisions of the Operations Manual and those of this Agreement, the latter shall prevail.

Section II. Excluded Activities

The Borrower shall ensure that the Program excludes any activities which:

A. in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
B. involve the procurement of: (1) works, estimated to cost seventy five million United States Dollars (USD 75,000,000) equivalent or more per contract; (2) goods, estimated to cost fifty million United States Dollars (USD 50,000,000) equivalent or more per contract; (3) non-consulting services, estimated to cost fifty million United States Dollars (USD 50,000,000) equivalent or more per contract; or (4) consulting services, estimated to cost twenty million United States Dollars (USD 20,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

A. The Borrower shall furnish to the Bank each Program Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

B. Not later than December 31, 2020, the Borrower shall, in conjunction with the Bank, carry out a mid-term review of the Program ("Mid-term Review"), covering the progress achieved in the implementation of the Program. To this end, the Borrower shall prepare and furnish to the Bank not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the Program's monitoring and evaluation activities on the progress achieved in the carrying out of the Program during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Program and the achievement of the objective of the Program during the period following such date. Following the Mid-term Review, the Borrower shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Bank to remedy any shortcoming noted in the carrying out of the Program in furtherance of the objective of the Program.
Section IV. Withdrawal of Loan Proceeds

A. General

1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Program Expenditures, on the basis of the results ("Disbursement Linked Results" or "DLRs") achieved by the Borrower, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); all as set forth in the table in paragraph 2 of this Part A.

2. The following table specifies each category of withdrawal of the proceeds of the Loan (including the Disbursement Linked Indicators as applicable) ("Category"), the Disbursement Linked Results and the Formula for each Category (as applicable), and the allocation of the amounts of the Loan to each Category:

<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Disbursement Linked Result (as applicable)</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) DLI #1: Public commitment of Priority District Leaders to accelerate stunting prevention</td>
<td>DLR #1.1: FY18: Public commitment secured from at least 60 Priority Districts Leaders</td>
<td>5,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>DLR #1.2: FY19: Public commitment secured from at least 96 Priority Districts Leaders</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DLR #1.3: FY20: Public commitment secured from at least 234 Priority Districts Leaders</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DLR #1.4: FY21: Public commitment secured from at least 308 Priority Districts Leaders</td>
<td>5,000,000</td>
<td></td>
</tr>
<tr>
<td>(2) DLI #2: Tracking and performance evaluation of national spending on</td>
<td>DLR #2.1: Bappenas and MOF have developed the tagging and</td>
<td>4,000,000</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The table continues with similar entries for each category and the amounts allocated, but the text description ends here.
<table>
<thead>
<tr>
<th>Priority nutrition interventions</th>
<th>Tracking system for priority nutrition interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DLR #2.2:</strong></td>
<td>Bappenas and MOF have issued:</td>
</tr>
<tr>
<td></td>
<td>(a) by January 2019, a report of the Borrower’s 2019 budget summarizing budget lines tagged to the NatStrat Stunting; and (b) the performance report by August 2019</td>
</tr>
<tr>
<td></td>
<td><strong>6,000,000</strong></td>
</tr>
<tr>
<td><strong>DLR #2.3:</strong></td>
<td>(a) MOF and Bappenas have issued, by March 2020, a performance and expenditure report of FY19; (b) MOF and Bappenas have issued the semi-annual performance and expenditure report by August 2020; and (c) MOF has used said performance reports to inform the budget of the next FY</td>
</tr>
<tr>
<td></td>
<td><strong>6,000,000</strong></td>
</tr>
<tr>
<td><strong>DLR #2.4:</strong></td>
<td>(a) MOF and Bappenas have issued, by March 2021, a performance and expenditure report of FY20; (b) MOF and Bappenas have issued the semi-annual performance and expenditure report by August 2021; and (c) MOF has used said performance reports to inform the budget of the next FY</td>
</tr>
<tr>
<td></td>
<td><strong>4,000,000</strong></td>
</tr>
</tbody>
</table>

(3) **DLR #3:** Timely publication of annual national and District stunting rates

<p>| <strong>DLR #3.1:</strong>                   | BPS has issued the guidelines for the implementation of 2019 SUSENAS (FY18) |
|                                  | <strong>3,000,000</strong>                                         |
| <strong>DLR #3.2:</strong>                   | BPS has published, on its website, national and District stunting rates by September of each FY |
|                                  | <strong>27,000,000</strong> (9,000,000 per FY)                     |
| (4) DLI #4 | DLR #4.1: Revised, and more nutrition-sensitive, ECED professional development materials and handbooks issued by MOEC (FY18) | 2,000,000 | N/A |
| Priority Districts delivery of nutrition-sensitive professional development program for ECED teachers | DLR #4.2: (a) FY19: (i) Up to 100 Priority Districts with at least 20 trainers certified to deliver the more nutrition-sensitive professional development program to ECED teachers; and (ii) up to 100 Priority Districts with teachers that have completed the ECED professional development program (b) FY20: (i) Up to 200 Priority Districts with at least 20 trainers certified to deliver the professional development program to ECED teachers; and (ii) up to 200 Priority Districts with teachers that have completed the ECED professional development program (c) FY21: (i) Up to 300 Priority Districts with at least 20 trainers certified to deliver the professional development program to ECED teachers; and (ii) up to 300 Priority Districts with teachers that have completed the ECED professional development program | 30,000,000 | Achievement x Unit Price |
| | Unit Price: (i) $25,000 for each new Priority District with at least 20 trainers certified to deliver the professional development program to ECED teachers; and (ii) $37,500 for each new Priority District with teachers that have completed the ECED professional development program | |
| (5) DLI #5: Nutrition sensitivity of BPNT | DLR #5.1: FY18: Up to 60% of beneficiaries in 100 Priority Districts have received BPNT assistance (Baseline: 40% of beneficiaries) | 10,000,000 | (Achievement - Baseline) x Unit Price |
| | Unit Price: $500,000 for each percentage (1%) point increase | | |</p>
<table>
<thead>
<tr>
<th>DLR #5.2:</th>
<th>(a) 4,000,000</th>
<th>(a) N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19: (a) Additional protein and/or fortified food item for children aged 6-24 months introduced to BPNT assistance; and (b) Up to 90% of beneficiaries in 160 Priority Districts have received BPNT assistance (Baseline: 60% of beneficiaries)</td>
<td>(b) 12,000,000</td>
<td>(b) (Achievement - Baseline) x Unit Price</td>
</tr>
<tr>
<td>DLR #5.3:</td>
<td>(a) 4,000,000</td>
<td>(a) N/A</td>
</tr>
<tr>
<td>FY20: (a) Additional protein and/or fortified food item for children aged 6-24 months introduced to BPNT assistance; and (b) Up to 50% of e-Warungs in 390 Priority Districts had all eligible food items (Baseline: 30% of e-Warungs)</td>
<td>(b) 17,000,000</td>
<td>(b) (Achievement - Baseline) x Unit Price</td>
</tr>
<tr>
<td>DLR #5.4:</td>
<td>18,000,000</td>
<td>18,000,000</td>
</tr>
<tr>
<td>FY21: Up to 80% of e-Warungs in 514 Priority Districts had all eligible food items (Baseline: 50% of e-Warungs)</td>
<td>(Achievement - Baseline) x Unit Price</td>
<td>Unit Price: $600,000 for each percentage (1%) point increase</td>
</tr>
<tr>
<td>(6) DLI #6: Priority Districts implementation of locally-adapted interpersonal communication (&quot;IPC&quot;) activities</td>
<td>45,000,000</td>
<td>45,000,000</td>
</tr>
<tr>
<td>DLR #6.1:</td>
<td>(Achievement - Baseline) x Unit Price</td>
<td>Unit Price: $50,000 for each new Priority District</td>
</tr>
<tr>
<td>FY18: Up to 80 Priority Districts have issued regulations on local behavioral change communication strategy and IPC activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DLR #6.2: FY19</td>
<td>Up to 128 Priority Districts have implemented IPC activities in at least 70% of Priority Villages</td>
<td></td>
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<tr>
<td>---------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>DLR #6.3: FY20</td>
<td>Up to 312 Priority Districts have implemented IPC activities in at least 70% of all Villages</td>
<td></td>
</tr>
<tr>
<td>DLR #6.4: FY21</td>
<td>Up to 380 Priority Districts have implemented IPC activities in at least 70% of all Villages</td>
<td></td>
</tr>
</tbody>
</table>

| (7) DLI #7: Predictability and results-orientation of fiscal transfers that support Convergence |
| DLR #7.1: FY18 | (a) Bappenas has issued guidelines on the District implementation of stunting reduction program by September 2018; and (b) Presidential regulation on the use of DAK to support priority nutrition interventions and District-level Convergence actions issued by December 2018 |
| DLR #7.2: FY19 | (a) MOF has issued guidelines on DAK proposal process for stunting Convergence program for FY20 by April 2019; and (b) MOHA has published on its website by August 2019 the results of an annual performance assessment of District implementation of the stunting Convergence program |

<p>| 4,000,000 | N/A |</p>
<table>
<thead>
<tr>
<th>DLR #7.3:</th>
<th>4,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20: (a) MOF has issued guidelines on DAK proposal process for stunting Convergence program for FY21 by April 2020; and (b) MOHA has published on its website by August 2020 the results of an annual performance assessment of District implementation of the stunting Convergence program</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DLR #7.4:</th>
<th>4,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21: (a) MOF has issued guidelines on DAK proposal process for stunting Convergence program for FY22 by April 2021; and (b) MOHA has published on its website by August 2021 the results of an annual performance assessment of District implementation of the stunting Convergence program</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(8) DLI #8: District performance in targeting of priority nutrition interventions to 1,000-Day Households</th>
<th>70,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLR #8: Up to 5% increase of the annual nutrition targeting index (FY20)</td>
<td>Achievement x Unit Price</td>
</tr>
<tr>
<td></td>
<td>Unit Price: $700,000 for every zero point one percentage (0.1%) point increase above the threshold level to be agreed between the Bank and the Borrower based on the annual nutrition targeting index of the relevant years.</td>
</tr>
</tbody>
</table>
(9) DLI #9: Villages have been empowered to identify 1,000-Day Households and converge intervention delivery

| DLR #9.1: FY18: MOV has issued guidelines on human development workers and Village Convergence scorecards and MOF has revised the regulation on fiscal transfer reporting | 5,200,000 | N/A |

| DLR #9.2: Up to 308 Priority Districts with at least 70% of Villages consolidated the Village-level data | 30,800,000 | Achievement x Unit Price
Unit price: $100,000 for each new Priority District |

(10) DLI #10: Village Convergence on 1,000-Day Households

| DLR #10.1: FY20: Up to 96 Priority Districts with at least 80% of Villages increased Convergence | 66,000,000 | Achievement x Unit Price
Unit price: $200,000 for each new Priority District |

| DLR #10.2: FY21: Up to 234 Priority Districts with at least 80% of Villages increased Convergence |

**TOTAL AMOUNT** 400,000,000

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) on the basis of DLRs achieved prior to the Signature Date; or/and

   (b) for any DLR under Categories (1) through (10), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.

2. Notwithstanding the provisions of Part B.1(b) of this Section, the amount of the Loan to be withdrawn upon the verified achievement of DLRs 4.2, 5.1, 5.2(b), 5.3(b), 5.4, 6.1, 6.2, 6.3, 6.4, 8, 9.2, 10.1 and 10.2 shall be calculated in accordance with the Formula.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Categories (1) through (10) has not been achieved by the date by which the said DLR is set to be achieved, the Bank may, by notice to the Borrower:
(a) only with respect to DLRs 4.2, 5.1, 5.2(b), 5.3(b), 5.4, 6.1, 6.2, 6.3, 6.4, 8, 9.2, 10.1, and 10.2, authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Loan then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Formula;

(b) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR; and/or

(c) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.

4. The Closing Date is April 30, 2022.
SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

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").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 15, 2024</td>
<td>5.58%</td>
</tr>
<tr>
<td>January 15, 2025</td>
<td>5.66%</td>
</tr>
<tr>
<td>July 15, 2025</td>
<td>5.75%</td>
</tr>
<tr>
<td>January 15, 2026</td>
<td>5.83%</td>
</tr>
<tr>
<td>July 15, 2026</td>
<td>5.92%</td>
</tr>
<tr>
<td>January 15, 2027</td>
<td>6.01%</td>
</tr>
<tr>
<td>July 15, 2027</td>
<td>6.10%</td>
</tr>
<tr>
<td>January 15, 2028</td>
<td>6.19%</td>
</tr>
<tr>
<td>July 15, 2028</td>
<td>6.29%</td>
</tr>
<tr>
<td>January 15, 2029</td>
<td>6.38%</td>
</tr>
<tr>
<td>July 15, 2029</td>
<td>6.48%</td>
</tr>
<tr>
<td>January 15, 2030</td>
<td>6.57%</td>
</tr>
<tr>
<td>July 15, 2030</td>
<td>6.67%</td>
</tr>
<tr>
<td>January 15, 2031</td>
<td>6.77%</td>
</tr>
<tr>
<td>July 15, 2031</td>
<td>6.87%</td>
</tr>
<tr>
<td>January 15, 2032</td>
<td>6.93%</td>
</tr>
</tbody>
</table>
APPENDIX
Definitions

1. “1,000-Day Households” means households with pregnant women and/or children aged 0-24 months.

2. “Achievement” means, in respect of DLRs 4.2, 5.1, 5.2(b), 5.3(b), 5.4, 6.1, 6.2, 6.3, 6.4, 8, 9.2, 10.1, and 10.2, the actual target achieved under a given DLR in the relevant FY, up to a maximum not to exceed the corresponding allocation per FY or Category, and which has been verified as per the Verification Protocol.


4. “Bappenas” or “Badan Perencanaan Pembangunan Nasional” means the Borrower’s national development planning agency, or any successor thereto.

5. “Baseline” means, in respect of any DLR, the corresponding figure or percentage set forth in the second column of the table in Section IV.A.2 of Schedule 2 to this Agreement.

6. “BPKP” or “Badan Pengawas Keuangan dan Pembangunan” means the Borrower’s agency responsible for finance and development supervision, or any successor thereto.

7. “BPNT” or “Bantuan Pangan Non-Tunai” means the Borrower’s food assistance program, or any successor(s) thereto acceptable to the Bank.

8. “BPS” or “Badan Pusat Statistik” means the Borrower’s agency responsible for statistics, which is established and operating pursuant to the Borrower’s Law No. 16 of 1997, or any successor thereto.


10. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

11. “Convergence” means simultaneous implementation and/or utilization of nutrition interventions.

12. “Coordinating Minister for Human Development and Culture” means the Borrower’s minister responsible for coordinating ministries on human development and culture, or any successor thereto.

13. “DAK” or “Dana Alokasi Khusus” means funds allocated in the Borrower’s budget for specific regions for the purposes of financing specific activities that fall under regional autonomy.
14. “Dana Desa” means funds allocated in the Borrower’s budget for Villages to finance Village governance, development, community empowerment and social purposes pursuant to the Borrower's government Regulation No. 60 of 2014, as amended.

15. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category, as set forth in the first column of the table in Section IV.A.2 of Schedule 2 to this Agreement, and “DLIs” means, collectively, all such DLIs.

16. “Disbursement Linked Result” or “DLR” means in respect of a given Category, the result under said Category, as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Loan allocated to said result may be withdrawn in accordance with the provisions of said Section IV, and “DLRs” means, collectively, all such DLRs.

17. “District” means an administrative sub-division of a Province, and “Districts” means, collectively, all such Districts.


19. “e-Warung” means an installation that channels non-cash food assistance under BPNT to beneficiaries.

20. “Fiscal Year” or “FY” means the Borrower’s fiscal year commencing on January 1 and ending on December 31 of the same year.

21. “Formula” means the measure for calculating disbursements against DLRs 4.2, 5.1, 5.2(b), 5.3(b), 5.4, 6.1, 6.2, 6.3, 6.4, 8, 9.2, 10.1, and 10.2, as set forth in the fourth column of the table in Section IV.A.2 of Schedule 2 to this Agreement.


23. “GFF” or “Global Financing Facility” means the global financing facility in support of every woman every child launched in July 2015 in Addis Ababa to support countries to get on a trajectory to achieve the sustainable development goals, and administered by the Bank.

24. “GFF Grant” means an amount of twenty million United States Dollars (USD 20,000,000) to be provided by the Bank, acting as administrator of the GFF, to assist in financing the project described in Schedule 1 to the GFF Grant Agreement.

25. “GFF Grant Agreement” means the agreement to be entered into between the Borrower and the Bank, acting as administrator of the GFF, providing for the GFF Grant.

26. “ICT” means information communication technology.

27. “Kabupaten” means a regency, an administrative division of a Province.

28. “Kota” means a city, an administrative division of a Province.
29. "Leadership Committee" means the committee to be established in accordance with Section I.A.1(a) of Schedule 2 to this Agreement.

30. "Letter of Assignment" means the letter to be sent by the Ministry of Finance to BPKP, providing for the arrangements and terms of reference, acceptable to the Bank, for the verification of the DLRs.

31. "Mayor" means an executive head of a Kota.

32. "Ministry of Education and Culture" or "MOEC" means the Borrower’s ministry responsible for education, or any successor thereto.

33. "Ministry of Finance" or "MOF" means the Borrower’s ministry responsible for finance, or any successor thereto.

34. "Ministry of Health" means the Borrower’s ministry responsible for health, or any successor thereto.

35. "Ministry of Home Affairs" means the Borrower’s ministry responsible for home affairs, or any successor thereto.

36. "Ministry of Social Affairs" means the Borrower’s ministry responsible for social affairs, or any successor thereto.

37. "Ministry of State Secretariat" means the Borrower’s ministry responsible for State secretariat, or any successor thereto.

38. "Ministry of Villages, Development of Disadvantaged Areas and Transmigration" or "MOV" means the Borrower’s ministry responsible for villages, the development of disadvantaged areas and transmigration, or any successor thereto.

39. "NatStrat Stunting" or "National Strategy to Accelerate Stunting Prevention" means the Borrower’s stunting prevention acceleration strategy launched in August 2017, or any successor thereto acceptable to the Bank.

40. "Operations Manual" means the manual for the Program referred to in Section I.D of Schedule 2 to this Agreement, to be adopted by the Borrower to facilitate the fiduciary and coordination mechanisms under the Program, as the same may be amended from time to time with the prior written approval of the Bank.

41. "President" means the Borrower’s head of State and head of executive.

42. "Priority District Leader" means a Bupati or a Mayor of a Priority District or any of its respective deputies, and "Priority District Leaders" means, collectively, all such leaders.

43. "Priority Districts" means Districts with the highest prevalence and incidence of stunting as identified in the Borrower’s NatStrat Stunting, as the same may be updated annually to include additional Districts.
44. "Priority Villages" means the Villages within the Priority Districts as identified in the NatStrat Stunting, as the same may be updated annually to include additional Villages.

45. "Program Action Plan" means the Borrower’s plan dated May 16, 2018 and referred to in Section I.C of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Bank.

46. "Province" means an administrative division of the Borrower at the first level below the national level.

47. "Puskesmas" or "Pusat Kesehatan Masyarakat" means any of the Borrower’s public primary health centers, which are operating pursuant to the Minister of Health’s Regulation No. 75 of 2014, or any successor thereto.

48. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.

49. "Steering Committee" means the committee to be established in accordance with Section I.A.1(b) of Schedule 2 to this Agreement.

50. "Sub-district" means an administrative sub-division of a District.

51. "SUSENAS" means the Borrower’s annual national social and economic survey.

52. "Unit Price" means, in respect of DLRs 4.2, 5.1, 5.2(b), 5.3(b), 5.4, 6.1, 6.2, 6.3, 6.4, 8, 9.2, 10.1, and 10.2, the amount set forth in the fourth column of the table in Section IV.A.2 of Schedule 2 to this Agreement.

53. "Verification Protocol" means the protocol setting forth the actions and mechanism required for the verification of DLRs, as agreed with the Bank, dated May 16, 2018, as the same may be amended from time to time with the agreement of the Bank.

54. "Vice President" means the Borrower’s Vice President.

55. "Village" means an administrative sub-division of a Sub-district, and "Villages" means, collectively, all such Villages.