

Republic of Indonesia: Connectivity Development Policy Loan**SUMMARY OF DISCUSSION*****Meeting of the Executive Directors****November 20, 2012**

Executive Directors approved the Connectivity Development Policy Loan (DPL) to the Republic of Indonesia in the amount of US\$100 million on the payment terms and conditions set out in the President's Memorandum (R2012-0217).

Directors expressed support for the objectives of the loan, which aims to assist the Government of Indonesia to strengthen the policy framework for improved trade logistics, transportation, ICT network, and international trade facilitation. They agreed that this DPL is fully aligned with the country's National Connectivity Strategy and Action Plan. Directors commended the Government for this initiative to include remote groups in the country's economic development.

Executive Directors encouraged the Government to continue efforts in strengthening policy coordination to accelerate improvement in connectivity and instill confidence in investors. Directors further called for a stronger regulatory environment for sea transport and logistics services. In addition, Directors emphasized the need to incorporate the targeting of vulnerable groups in the design and implementation of the operation to address inter-regional economic disparity. Lastly, Directors noted the extensive consultation with development partners, and encouraged continued strong cooperation with IFC.

*This summary is not an approved record.