Loan Agreement

Jakarta Urgent Flood Mitigation Project
(Jakarta Emergency Dredging Initiative)

between

REPUBLIC OF INDONESIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated February 17, 2012
LOAN AGREEMENT

AGREEMENT dated February 19, 2012, 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, the amount of one hundred thirty nine million six hundred forty thousand United States Dollars (US$139,640,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty(30) days, then the interest payable by the Borrower shall instead be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 1 and September 1 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 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 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 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.

(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: (a) carry out the MPW Parts of the Project through the Ministry of Public Works in accordance with the provisions of Article V of the General Conditions; and (b) cause the DKI Parts of the Project to be carried out by DKI, as the Project Implementing Entity for the DKI Parts of the Project, 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: PJA has acted in contravention of what is required of it by the terms of this Agreement or the Project Agreement, or has failed to take any action that it is required to take by the terms of this Agreement or the Project Agreement, in each case in a manner
so as to affect materially and adversely the implementation of the Project or the achievement of the objective thereof.

4.02. The Additional Event of Acceleration consists of the following: The event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) the Borrower has (i) established the Central Project Management Unit, the Central Project Implementation Unit, and each Project Implementation Unit; and (ii) each of the Central Project Management Unit, the Central Project Implementation Unit and each Project Implementation Unit at each of DGWR, DGHS and DKI has adopted the Project Operations Manual;

(b) the Subsidiary Loan Agreement has been executed on behalf of the Borrower and DKI, as the Project Implementing Entity for the DKI Parts of the Project.

5.02. The Additional Legal Matters consist of the following.

(a) The Subsidiary Loan Agreement has been duly authorized by the Borrower and is legally binding upon the Borrower in accordance with its terms.

(b) Each of the Subsidiary Loan Agreement and the Project Agreement has been duly authorized by DKI and is legally binding upon DKI in accordance with its respective 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
Jalan Lapangan Banteng Timur 2-4
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, Indonesia, as of the day and year first above written.

REPUBLIC OF INDONESIA

By

Rahmat Waluyanto
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to contribute to the improvement of the operation and maintenance of priority sections of Jakarta’s flood management system.

The Project consists of the following parts:

Part 1. Dredging and rehabilitation of selected key floodways, canals and retention basins.

(a) Dredging and rehabilitation of the Project Sites consisting of eleven (11) floodways, with a total length of approximately 67.5 kilometers, and four (4) retention basins, with a total area of approximately 65.1 hectares, which have been identified as priority sections of the Jakarta flood management system in need of urgent rehabilitation and improvement in flow capacities; and transportation and disposal of materials dredged from the Project Sites in Disposal Sites.

(b) Rehabilitation and/or construction of approximately 42.2 kilometers of embankments within the Project Sites and replacement or repair of mechanical equipment as necessary.

Part 2. Technical assistance for project management, social safeguards and capacity building.

(a) Supporting contracts management, engineering design reviews, construction supervision, and technical assistance for implementation of the Project, including the Resettlement Policy Framework, Resettlement Plans and the Grievance Redress System.

(b) Improving institutional coordination for operation and maintenance of Jakarta’s flood management system, as well as establishing a Flood Management Information System.

(c) Implementation of Resettlement Plans.

(d) Establishment and operation of the Grievance Redress System.

(e) Establishment and operation of the Panel of Experts.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Financing Arrangements.

1. Loan Proceeds to be allocated to Ministry of Public Works. The Borrower shall allocate on a timely basis in accordance with the Borrower's budget process the portion of the proceeds of the Loan allocated from time to time in Categories 1(a), 1(b) and (2) in the table in paragraph 2 of Section IV.A of this Schedule 2 required for the MPW Parts of the Project to the Ministry of Public Works.

2. Loan Proceeds to be on-lent to DKI. To facilitate the carrying out of the Project, the Borrower shall make the portion of the proceeds of the Loan allocated from time to time in Category 1(c) in the table in paragraph 2 of Section IV.A of this Schedule 2 required for the DKI Parts of the Project available in Rupiah to DKI, as the Project Implementing Entity for the DKI Parts of the Project, under a Subsidiary Loan Agreement between the Borrower and DKI, under terms and conditions agreed between the Borrower and the Bank, which shall include the obligation of DKI to:

   (a) (i) pay the Borrower a front-end fee in an amount equal to the portion of the Front-end Fee specified in Section 2.03 of this Agreement applied to the on-lent amount; (ii) repay the Borrower the proceeds of the Loan over a period consistent with Section 2.06 of this Agreement; and (iii) pay the Borrower 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 5.02%, except as may be otherwise agreed in writing between the Borrower and the Bank; and

   (b) ensure that the Project is carried out in accordance with all of the provisions of this Agreement and the Project Agreement applicable to DKI as the Project Implementing Entity for the DKI Parts of the Project.

3. 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 Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any of its provisions.
4. **Counterpart Funds.**

(a) With respect to Part 1 of the Project, the Borrower shall allocate counterpart funds for the MPW Parts of the Project, and shall ensure that DKI shall allocate counterpart funds for the DKI Parts of the Project, in accordance with the Borrower's budget process and DKI's budget process respectively, in each case on a timely basis and in such amount as is necessary to ensure the completion of the Project in a manner satisfactory to the Borrower and the Bank.

(b) With respect to Part 2 of the Project, the Borrower shall ensure that:

(i) Part 2(b) is financed by the Co-Financing Agreement, or in the event that such agreement shall terminate or be insufficient for the purposes of Part 2(b) of the Project, by another source of financing identified by the Borrower and agreed in writing by the Bank, which may include Borrower counterpart funds; and

(ii) Part 2(c) is financed exclusively from Borrower counterpart funds and not from the proceeds of the Loan.

B. **Institutional Arrangements.**

1. **National Steering Committee for Water Resources.** The Borrower shall maintain, until completion of the Project, the National Steering Committee for Water Resources, a high level advisory committee led by BAPPENAS. The Borrower shall ensure that the National Steering Committee for Water Resources shall, for the purposes of the Project, include representatives of BAPPENAS, Ministry of Finance, Ministry of Public Works, Ministry of Home Affairs and DKI.

2. **Central Project Management Unit and Central Project Implementation Unit.**

(a) The Borrower shall establish and maintain, until completion of the Project, the Central Project Management Unit in DGWR.

(i) The Central Project Management Unit shall comprise representatives of DGWR, DGHS, Ministry of Public Works Office of Planning and International Cooperation, DKI and BAPPENAS and shall be supported by a secretariat comprised of staff of DGWR, all with mandate, composition, staff positions and terms of reference acceptable to the Bank and the Borrower. The Borrower shall ensure that the Central Project Management Unit is provided in a timely manner with resources adequate to accomplish its objectives.
(ii) The Central Project Management Unit shall oversee and coordinate the overall Project implementation reporting and planning functions, including the review and integration of Project reports and Annual Work Programs, including budgets.

(b) The Borrower shall establish and maintain, until completion of the Project, the Central Project Implementation Unit in DGWR.

(i) The Central Project Implementation Unit shall comprise at least one (1) staff member from each of DGWR, DGHS and DKI, and shall be supported by a secretariat comprised of staff of DGWR, all with mandate, composition, staff positions and terms of reference acceptable to the Bank and the Borrower. The Borrower shall ensure that the Central Project Implementation Unit is provided in a timely manner with resources adequate to accomplish its objectives.

(ii) The Central Project Implementation Unit shall be responsible for overall coordination and management of the Project, including: (i) coordinating implementation activities of the three (3) Project Implementation Units; (ii) management of the Supervision Consultant contract and the financial management and procurement consultant contracts; (iii) implementation, monitoring and evaluation of the Flood Management Information System; and (iv) establishment of and support for the Grievance Redress System and the Panel of Experts.

3. **Project Implementation Units.** The Borrower shall maintain, until completion of the Project, the Project Implementation Units established in each of DGWR and DGHS, and shall ensure that DKI shall maintain the Project Implementation Unit established in DKI.

(a) Each Project Implementation Unit shall have a mandate, composition, staff positions and terms of reference acceptable to the Bank and the Borrower, acting through the Central Project Implementation Unit, and shall be made operational and provided in a timely manner with resources adequate to accomplish its objectives.

(b) The Project Implementation Unit of DGWR shall be in the Regional Office of Ciliwung-Cisadane River Basin and shall be responsible for implementation of the Project at the DGWR Project Sites, including, without limitation: (i) employment and management of the Works Contractors for the DGWR Project Sites; (ii) dredging and rehabilitation of the selected floodways, canals and retention basins;
(c) (iii) implementation of the Environmental Safeguards Instruments applicable to the DGWR Project Sites; and (iv) compliance with the Resettlement Policy Framework and any Resettlement Plan applicable to the DGWR Project Sites.

(d) The Project Implementation Unit of DGHS shall be in the Directorate of Environmental Sanitation Development and shall be responsible for implementation of the Project at the DGHS Project Sites, including, without limitation: (i) employment and management of the Works Contractors for the DGHS Project Sites; (ii) dredging and rehabilitation of the selected floodways and canals; (iii) implementation of the Environmental Safeguards Instruments applicable to the DGHS Project Sites; and (iv) compliance with the Resettlement Policy Framework and any Resettlement Plan applicable to the DGHS Project Sites.

(e) The Project Implementation Unit of DKI shall be in the DPU-DKI and shall be responsible for implementation of the Project at the DKI Project Sites, including, without limitation: (i) employment and management of the Works Contractors for the DKI Project Sites; (ii) dredging and rehabilitation of the selected floodways and canals; (iii) implementation of the Environmental Safeguards Instruments applicable to the DKI Project Sites; and (iv) compliance with the Resettlement Policy Framework and any Resettlement Plan applicable to the DKI Project Sites.

(f) The Project Implementation Unit of DKI shall also be responsible for land acquisition and resettlement in DKI, and shall also establish, prior to the finalization and submission to the Bank of the first Resettlement Plan, and thereafter maintain until completion of the Project, the Environmental and Social Working Group and the Land Acquisition Committee, each established with a mandate, composition, staff positions and terms of reference acceptable to the Bank and the Borrower, through the Central Project Implementation Unit, and each made operational and provided in a timely manner with resources adequate to accomplish its objectives.

(g) Each Project Implementation Unit shall take all action on its part to ensure cooperation with the other Project Implementation Units necessary to accomplish the objective of the Project.

4. **Procurement Committees.** The Borrower, through the Central Project Implementation Unit, shall ensure that:
(a) each Project Implementation Unit shall establish, by no later than the date on which the first procurement activity commences for the first Project Site for which it is responsible in accordance with column 4 in the table in Section 1 of the Annex 1 to this Schedule 2, and thereafter maintain until completion of the Project, a procurement committee responsible for overseeing all procurement at such Project Sites; and

(b) each such committee shall: (i) be established with a mandate, qualified procurement staff from the relevant Project Implementation Unit and terms of reference acceptable to the Borrower, acting through the Central Project Implementation Unit, and the Bank; (ii) be made operational and provided in a timely manner with resources adequate to accomplish its objectives in accordance with the Project Operations Manual; and (iii) implement a code of conduct acceptable to the Borrower, acting through the Central Project Implementation Unit, and the Bank.

5. **Project Site Offices (POSKO).** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI with respect to the DKI Parts of the Project to ensure that, its respective Project Implementation Unit shall:

(a) establish at each Project Site, as part of the implementation of the Works Contract for each such Project Site and prior to the commencement of any dredging or rehabilitation activities at such Project Site, a POSKO to, among other things, act as a public information center and site-based complaint handling unit in accordance with the Grievance Redress System; and

(b) ensure that each POSKO: (i) is at all times adequately staffed, including with representatives of the Project Implementation Unit and the Works Contractor responsible for the Project Site; (ii) is made operational and at all times operates in accordance with terms of reference acceptable to the Bank and the Borrower, acting through the Central Project Implementation Unit; and (iii) is provided in a timely manner with resources adequate to accomplish its objectives.

6. **Institutional Arrangements for Disposal Sites.**

(a) **Arrangements with the operator of the Ancol CDF.** The Borrower shall ensure that DKI shall exercise its rights as a shareholder of PJA and as set out in the Cooperation Agreement to accomplish the objective of the Project, including to:
(i) ensure that the Ancol CDF is available and maintained at all times during Project implementation to receive Dredged Materials in accordance with or as referred to in this Agreement, the Project Agreement and the Cooperation Agreement;

(ii) grant the right to the Central Project Implementation Unit, the Project Implementation Units or their representatives (including Works Contractors transporting Dredged Materials), the Supervision Consultant and the Bank to enter PJA property to access the Ancol CDF and to enter the Ancol CDF for the purposes of the Project;

(iii) permit the Borrower, acting through the Central Project Implementation Unit, the Project Implementation Units, the Supervision Consultant and the Bank to monitor and supervise the deposit of Dredged Materials at the Ancol CDF, including cooperatively and jointly through the Jakarta Provincial Environmental Management Agency; and

(iv) ensure that DKI shall, until completion of the Project, either: (A) remain a controlling shareholder of PJA; or (B) in the event that DKI proposes to no longer be a controlling shareholder of PJA, put in place written institutional arrangements satisfactory to the Borrower and the Bank to ensure that DKI shall be able to cause PJA to carry out the operation and maintenance of the Ancol CDF and to permit the entry, monitoring and supervision by the Central Project Implementation Unit, the Project Implementation Units, the Bank and the Supervision Consultant at the Ancol CDF in accordance with the terms of this Agreement and the Project Agreement.

(b) Arrangements with the operator of the Solid Waste Disposal Site. The Borrower shall ensure that DKI, as the entity responsible for the Solid Waste Disposal Site, shall manage the Solid Waste Disposal Site, including causing action to be taken under any operations and maintenance contracts in effect from time to time, as required in order to:

(i) ensure that the Solid Waste Disposal Site is available at all times during Project implementation to receive Solid Waste Materials in accordance with or as referred to in this Agreement and the Project Agreement;
(ii) ensure that the Solid Waste Disposal Site is at all times operated in accordance with the laws and regulations of the Borrower, including the license therefor;

(iii) grant the right to the Central Project Implementation Unit, the Project Implementation Units or their representatives (including Works Contractors transporting Solid Waste Materials), the Supervision Consultant and the Bank to enter the Solid Waste Disposal Site property for the purposes of the Project;

(iv) permit the Borrower, acting through the Central Project Implementation Unit, the Supervision Consultant and the Bank to monitor and supervise the deposit of Solid Waste Materials at the Solid Waste Disposal Site, including cooperatively and jointly through the Jakarta Provincial Environmental Management Agency; and

(v) ensure that DKI shall, until completion of the Project, either: (A) remain the entity in control of the Solid Waste Disposal Site; or (B) in the event that DKI proposes to no longer be in control of the Solid Waste Disposal Site, put in place written institutional arrangements satisfactory to the Borrower and the Bank to ensure that Solid Waste Materials shall continue to be deposited at the Solid Waste Disposal Site and to permit the entry, monitoring and supervision by the Central Project Implementation Unit, the Bank and the Supervision Consultant at the Solid Waste Disposal Site in accordance with the terms of this Agreement and the Project Agreement.

(c) Arrangements with the operator of the Hazardous Material Disposal Site.

(i) The Borrower shall, prior to the signing of the first Works Contract, enter into a written arrangement or understanding with the Hazardous Material Disposal Site Operator setting out the principle that such site will be available to receive Hazardous Material, if any, found in relation to the Project.

(ii) In the event that any Hazardous Material is found at any Project Site or with respect to any Dredged Materials or Solid Waste, the Borrower, acting through the Central Project Implementation Unit, shall ensure that DGWR and DGHS with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall:
(A) forthwith comply with the terms of this Agreement, including the provisions of Section I.D, including paragraph 8 of Section I.D of this Schedule 2, and the provisions of Section I.C, including paragraph 3 of Section I.C of the Schedule to the Project Agreement, and applicable laws and regulations of the Borrower;

(B) subject to compliance with the foregoing, enter into contractual arrangements, on terms and conditions acceptable to the Borrower and the Bank, with the Hazardous Material Disposal Site Operator in accordance with paragraph 8(f) of Section I.D of this Schedule 2; and

(C) permit the Central Project Implementation Unit, the Project Implementation Units, the Supervision Consultant and the Bank to inspect, from time to time, the Hazardous Material Disposal Site.

(iii) Without limiting the foregoing, the Borrower, through the Central Project Implementation Unit and/or the relevant Project Implementation Unit, may enter into contractual arrangements to deposit Dredged Materials other than Hazardous Material at the Hazardous Material Disposal Site, provided that such contractual arrangements are acceptable to the Borrower and the Bank.

C. Implementation Arrangements.

1. Project Operations Manual. The Borrower, acting through the Central Project Management Unit shall ensure that the Central Project Implementation Unit and each PIU shall:

(a) adopt and thereafter implement the Project in accordance with the Project Operations Manual, including all annexes and supplements thereto, acceptable to the Bank and the Borrower, giving details of: (i) implementation arrangements set out in Section I of this Schedule 2, including arrangements for procurement of the Supervision Consultant and each Works Contractor; (ii) the requirements for the phasing of the Project in Phase 1 Project Sites and Phase 2 Project Sites; (iii) procurement procedures as set forth in Section III of this Schedule 2 and standard procurement documentation; (iii) reporting requirements, financial management procedures and audit procedures as set forth in Section II.B of this Schedule 2 and the related financial management action plan; (iv) project performance indicators; (v) the Environmental
Safeguards Instruments; (vi) the Social Safeguards Instruments; (vii) the Ancol Environmental Safeguards Instruments; (viii) maintenance provisions for works to be carried out at each Project Site; (ix) the role and operations of Panel of Experts; (x) the Governance and Accountability Framework; and (xi) the operation of the Grievance Redress System;

(b) not take any action to amend, suspend, abrogate, repeal or waive any provisions of the Project Operations Manual without the prior written agreement of the Bank and the Borrower;

(c) ensure that the Project Operations Manual, including all annexes and supplements thereto, and each of the Environmental Safeguards Instruments and Social Safeguards Instruments is made available, at all times until completion of the Project, to: (i) the Supervision Consultant; (ii) each Works Contractor; (iii) each POSKO; and (iv) upon request, all Project Affected Persons (with respect to Resettlement Plans, the obligation in this sub-paragraph (c) is to make available the Resettlement Plan for any Project Site to such Works Contractor, the POSKO and the Project Affected Person related to such Project Site);

(d) with the prior written agreement of the Bank, update the Project Operations Manual, including all annexes and supplements thereto, as necessary, at all times ensuring compliance thereof with the terms of this Agreement; and

(e) in the event of any conflict between the provisions of the Project Operations Manual, including any annexes and supplements thereto, and the provisions of this Agreement, the latter shall prevail.

2. **Project Phases and Annual Work Programs.** The Borrower, acting through the Central Project Management Unit shall ensure that:

(a) the Project shall be implemented following the sequenced Project implementation design in which Packages of Works Contracts, related implementation activities and related technical assistance activities are planned for implementation in two sequenced batches (Phase 1 and Phase 2) by the responsible Project Implementation Units, in accordance with the Project Operations Manual and the terms of this Agreement and the Project Agreement;

(b) in each year of Project implementation, each Project Implementation Unit shall, through the Central Project Implementation Unit:
prepare and submit to the Central Project Management Unit and the Bank for concurrence by no later than December 31 of the preceding year, an Annual Work Program (based on a calendar year), with budget, for the activities under Part I of the Project at its respective Project Sites; and

through the Central Project Management Unit, deliver the first such Annual Work Program to the Bank by no later than December 31, 2012; and

each Project Implementation Unit shall implement in a timely manner each such Annual Work Program.

3. **Supervision Consultant.**

(a) The Borrower shall ensure that the Central Project Implementation Unit shall appoint a Supervision Consultant, with qualifications, experience and terms of reference satisfactory to the Borrower, acting through the Central Project Implementation Unit, and to the Bank prior to the first Works Contract being signed by any Project Implementation Unit. The appointment of the Supervision Consultant shall be subject to receipt by the Borrower of a written no-objection by the Bank. The Central Project Implementation Unit shall retain the services of a Supervision Consultant until completion of the Project.

(b) The Supervision Consultant shall be responsible for supervising all aspects of Project implementation, including, but not limited to: (i) supervising, monitoring and evaluating the implementation of the Works Contracts; (ii) supervising the implementation of the Environmental and Social Safeguards Management Plan for each Project Site by the relevant Project Implementation Unit and Works Contractors; (iii) supporting the Central Project Implementation Unit and DKI in the implementation of Resettlement Plans; (iv) developing and implementing the Grievance Redress System; (v) coordinating the Bank’s review, together with the Jakarta Provincial Environmental Management Agency, of the operation of the Ancol CDF and the Offsite Sources; and (iv) supporting financial management and procurement activities.

(c) The Borrower, acting through the Central Project Implementation Unit, shall ensure that: (i) each Project Implementation Unit shall cooperate with the Supervision Consultant; and (ii) each Project Implementation Unit shall ensure that each Works Contract includes the obligation of the Works Contractor to cooperate with the Supervision Consultant.
4. **Completion, Maintenance and Development of Ancol CDF.**

(a) The Borrower, acting through the Central Project Implementation Unit, shall ensure that each PIU shall ensure that before each Works Contract is signed for each Project Site: (i) construction of the Ancol CDF has been completed and is being maintained in a manner fully consistent with the Ancol Environmental Safeguards Instruments; (ii) the Ancol CDF is completely and properly confined on all sides and intact; (iii) the Bank has received evidence satisfactory to it that the Jakarta Provincial Environmental Management Agency has determined that PJA is in compliance with the Ancol Environmental Safeguards Instruments; and (iv) each of the Bank and the Supervision Consultant has had an opportunity to visit, review and test the site and design of the Ancol CDF and found it satisfactory.

(b) The Borrower shall cause DKI to exercise its rights as a shareholder of PJA and under the Cooperation Agreement to monitor the operation and maintenance of the Ancol CDF and to inform the Bank and the Supervision Consultant immediately of any occurrence that would render or would be likely to render the Ancol CDF unfit for disposal of Dredged Materials, including non-compliance with any of the Ancol Environmental Safeguards Instruments and/or applicable Indonesian environmental laws or regulations. Upon written notice from the Bank to the Borrower, the Borrower shall cause some or all Project activities to cease until there has been satisfactory resolution of such occurrence or occurrences and the Bank has provided its written no-objection to resume relevant activities to the Borrower, which no-objection may be provided, when applicable, only following delivery by the Jakarta Provincial Environmental Management Agency of suitable instruments contemplated by applicable Indonesian laws and regulations.

(c) The Borrower, acting through the Central Project Implementation Unit, shall ensure that, and shall cause DKI to exercise its rights as a shareholder of PJA and under the Cooperation Agreement to ensure that, following deposit of all Dredged Materials and all Sand and Laterite in the Ancol CDF:

(i) DKI shall obtain from PJA and shall provide to the Borrower and to the Bank a copy of a written confirmation from PJA that filling of the Ancol CDF has been completed in accordance with the Ancol Environmental Safeguards Documents; and

(ii) the Borrower and DKI shall ensure that all development on and use of the site of the Ancol CDF, whether industrial,
commercial, residential or recreational or otherwise, shall be in accordance with a duly approved AMDAL and all other applicable legal and regulatory requirements of the Borrower and include, as necessary, land use restrictions and specific guidelines and covenants to protect the integrity of the site, provide proper foundations for buildings, guide installation of underground utilities, and to limit exposure of residents and site users to any adverse effects that may arise as a consequence of the use of the Dredged Material.

5. **Works Contracts.** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each PIU shall:

   (a) prior to entering into each Works Contract for each of its respective Project Sites, ensure that: (i) the Bank and the Supervision Consultant has each had the opportunity to undertake the review set out in subparagraphs (ii) and (iii) of paragraph 4(a) of this Section I.C; and (ii) the relevant Project Implementation Unit has received a written no-objection from the Bank with respect to the proposed Works Contract; and

   (b) ensure that each Works Contract shall: (i) be on terms and conditions acceptable to the Borrower (or to DKI with respect to the DKI Project Sites) and the Bank; (ii) contain the obligation of the Works Contractor to comply with the Project Operations Manual and the environmental and social safeguards and mitigation measures set out in Section I.D, including paragraphs 5, 6 and 16 of Section I.D of this Schedule 2; (iii) contain the obligation that such provisions shall be applicable to any sub-contractor, and (iv) contain the obligation that each Works Contractor and any sub-contractor, shall at all times have sufficient environmental and social safeguards staff and capacity and resources to fulfill the requirements of Section I.D of this Schedule 2.

6. **Testing and Dredging of Materials.** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each PIU shall ensure that, prior to the commencement of any dredging or rehabilitation or related activities at any Project Site that is its respective responsibility, the applicable Works Contractor, under the supervision of the Supervision Consultant, shall carry out testing, using mapped and identified Sections as required by the Project Operations Manual, to determine the quality of materials to be dredged and to identify any Hazardous Materials in each such section. Any identified Hazardous Materials shall be handled solely in accordance with paragraph 6(c) of Section I.B of this Schedule 2, paragraph 9 of this Section I.C and the provisions of Section I.D, including paragraphs 8-9 of Section I.D of this Schedule 2.
7. **Deposit of Dredged Materials.** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall ensure that all Dredged Materials from each Project Implementation Unit’s respective Project Sites are deposited in the Ancol CDF in accordance with: (a) this Agreement and the Project Agreement, including, without limitation, paragraph 6(a) of Section I.B, paragraph 4 of this Section I.C and the provisions of Section I.D, including paragraphs 10-12 of Section I.D of this Schedule 2, and paragraph 4(a) of Section I.A, paragraphs 3 and 6 of Section I.B and the provisions of Section I.C, including paragraph 4-5 of the Section I.C of the Schedule to the Project Agreement; (B) the Ancol Environmental Safeguards Instruments; and (C) all applicable Indonesian environmental laws and regulations.

8. **Disposal of Solid Waste.** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall ensure that all Solid Waste is deposited only in the Solid Waste Disposal Site in accordance with the provisions of paragraph 6(b) of Section I.B and Section I.D of this Schedule 2, and paragraph 4(b) of Section I.A, paragraph 7 of Section I.B and the provisions of Section I.C of the Schedule to the Project Agreement.

9. **Disposal of Hazardous Material (if any).** The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall ensure that each of its respective Project Implementation Units shall cause any and all Hazardous Material, whether identified through testing in accordance with paragraph 7 of this Section I.C or paragraph 8 of Section I.B of the Schedule to the Project Agreement or otherwise, to be deposited only in the Hazardous Material Disposal Site in accordance with the provisions of Section I.D, including paragraph 8 of Section I.D of this Schedule 2 and the provisions of Section I.C, including paragraph 3 of Section I.C of the Schedule to the Project Agreement.

10. **Flood Management Information System.** The Borrower, acting through the Central Project Implementation Unit, shall ensure that, as the Project is implemented, the works, changes, and upgrades to the flood management system resulting from the Project shall be input into the Flood Management Information System.
11. **Project Information Dissemination and Community Relations.**

(a) The Borrower shall ensure that the Central Project Implementation Unit shall maintain the Project Website for public communications and information dissemination purposes, including, without limitation, the publication of the Project Operations Manual, procurement and contracting activities for all Project Sites, the Resettlement Policy Framework, the Resettlement Plans, the Environmental Impact Assessments, Management Plans and Monitoring Plans, the Environmental and Social Safeguards Management Framework, the Environmental and Social Safeguards Management Plans, the Traffic Management Plans, and materials explaining the Grievance Redress System, including in accordance with paragraph 12 of this Section I.C.

(b) The Borrower shall cause DKI to include on the DKI Website, or through a link to the Project Website, the Project Operations Manual, procurement and contracting activities, the Environmental and Social Safeguards Management Framework, the Resettlement Policy Framework, all Resettlement Plans, the Environmental Impact Assessments, Management Plans and Monitoring Plans for the DKI Parts of the Project, the Environmental and Social Safeguards Management Plans for the DKI Parts of the Project, the Traffic Management Plans for the DKI Parts of the Project, and materials explaining the Grievance Redress System, including in accordance with paragraph 12 of this Section I.C and paragraph 11 of Section I.B of the Schedule to the Project Agreement.

(c) The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall ensure that each POSKO at its respective Project Sites shall make available at no cost to the public the following: the Project Operations Manual, the Resettlement Policy Framework; the Environmental and Social Safeguards Management Framework, procurement and contracting activity information related to the Project Site, the Resettlement Plans, if any, related to the Project Site, the Environmental Impact Assessment, Management Plan and Monitoring Plan related to the Project Site, the Environmental and Social Safeguards Management Plans related to the Project Site, the Traffic Management Plans related to the Project Site, and materials explaining the Grievance Redress System, including in accordance with paragraph 12 of this Section I.C.
The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall ensure that each of its respective Project Sites is clearly marked with signs as a Project Site in order to facilitate the dissemination of information about the Project and reduce the opportunities for confusion among community members as to which activities undertaken by DKI, DGWR, DGHS or any other entity of the Borrower in Jakarta are Project activities and which activities are not Project activities.

12. **Grievance Redress System.** The Borrower, acting through the Central Project Implementation Unit, shall, and shall cause DKI to:

(a) provide at all times until completion of the Project on the Project Website and the DKI Website and at each POSKO and at each Linked Site, information about DKI’s existing complaints handling systems;

(b) establish by no later than ninety (90) days after the Effective Date and in any event prior to the commencement of the first Works Contract and thereafter maintain until completion of the Project, the independent Project Grievance Redress System, acceptable to the Borrower, acting through the Central Project Implementation Unit, and the Bank, that (i) is designed to track complaints regarding the Project, including with respect to any Linked Sites; guide resolution of such complaints; and track and publicize resolution of such complaints; and (ii) has a timetable and budget, including adequate and timely provision of counterpart funds required for the Project;

(c) ensure that any complaints made through DKI’s existing complaints handling systems are transferred to, reported as part of, and may be brought at any time to the Grievance Redress System;

(d) provide, promptly as needed, all resources necessary for the Grievance Redress System to operate as required by this Agreement, the Project Agreement, the Project Operations Manual and the Resettlement Policy Framework;

(e) publicize the Grievance Redress System on the Project Website, the DKI Website, at each POSKO and at community meetings at each Project Site;

(f) ensure that each POSKO, at all times after the establishment of the Grievance Redress System until completion of the Project, includes staff in adequate numbers and with composition and terms of reference and
sufficient resources assigned specifically to operate the Grievance Redress System;

(g) include in each Project Report, a report on Grievance Redress System cases, resolutions, challenges, staffing and budget and other resources required; and

(h) publicize all cases brought to the Grievance Redress System on the Project Website, the DKI Website and at each POSKO (with respect to cases related to the Project Site where such POSKO is located).

13. Exchange of Information with Regard to Dredging and Embankment Rehabilitation Activities outside of Project Sites or Linked Sites. The Borrower shall cause each of the Ministry of Public Works and DKI to inform the Central Project Implementation Unit, the Bank and the Supervision Consultant about all dredging and/or embankment rehabilitation or related activities, including any land acquisition or resettlement, that it plans to undertake in any areas adjacent to or contiguous with any Project Sites and on or adjacent to or contiguous with any Linked Sites: (a) on an annual planning basis by providing a written list of all such planned activities in the upcoming twelve (12) months by no later than October 31 of the year preceding such planned activities; and (b) by providing written notification of each such activity no less than fourteen (14) days prior to the Ministry of Public Works or DKI, as applicable, commencing such activities. The Borrower shall cause each of the Ministry of Public Works and DKI to ensure that each such activity is clearly distinguished from any Project Sites in signage and Ministry of Public Works or DKI communication, and shall provide the Bank and the Supervision Consultant with an opportunity to visit the site of each such activity and with such information with respect to such activities as the Bank may from time to time request.

14. Panel of Experts. The Borrower, through the Central Project Implementation Unit, shall:

(a) establish, prior to the commencement of any activities under the first Works Contract, and thereafter maintain until completion of the Project, the Panel of Experts to advise on all aspects of the Project, including, but not limited to the environmental and social safeguards requirements set out in Section 1.D of this Schedule 2, comprising at least three experts, including an environmental expert, an engineer experienced in dredging and dredge disposal and an urban resettlement expert, in each case with expertise and under terms of reference acceptable to the Bank;
(b) if required by the Borrower and/or the Bank, enlarge the Panel of Experts on a temporary or permanent basis by the addition of specialists to provide expertise for specific, unplanned or critical issues or needs, which may arise during Project implementation, in each case with terms of reference agreed in writing among the Central Project Implementation Unit, the Bank, and the three initial experts that comprise of Panel of Experts;

(c) ensure that the Panel of Experts shall convene at regular intervals acceptable to the Central Project Implementation Unit, the Bank and the experts on the Panel of Experts to review the status of work in progress; and shall convene special extraordinary meetings as necessary to review particular critical stages of technical, environmental, and social activities of Project implementation;

(d) ensure that the Central Project Implementation Unit, each Project Implementation Unit, each Works Contractor, the Supervision Consultant and all other consultants shall cooperate with all requests of the Panel of Experts; and

(e) provide financial and administrative support and cooperation necessary for the Panel of Experts to carry out its functions in accordance with its terms of reference.

D. Safeguards

General Provisions

1. (a) The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project; and DKI, with respect to the DKI Parts of the Project, shall ensure that the Project is carried out in accordance with the provisions of the Environmental Safeguards Instruments, the Social Safeguards Instruments and the Ancol Environmental Safeguards Instruments.

(b) Except as the Bank, the Borrower and DKI (with respect to the DKI Parts of the Project only) shall otherwise agree in writing, none of the Borrower or DKI, nor any of their respective agencies shall 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 or inconsistency between the provisions of the Environmental Safeguards Instruments, the Social Safeguards Instruments or the
Ancol Environmental Safeguards Instruments and the provisions of this Agreement or the Project Agreement, the provisions of this Agreement or the Project Agreement, as applicable, shall prevail.

3. The Borrower, through the Central Project Implementation Unit, shall facilitate the work of the Panel of Experts referred to in paragraph 14 of Section LC of Schedule 2 to this Agreement specifically with respect to monitoring and evaluation of the implementation of the Environmental Safeguards Instruments, the Ancol Environmental Safeguards Documents and the Social Safeguards Instruments and the Grievance Redress System and shall advise the Central Project Implementation Unit on actions to be taken to improve compliance.

4. The Borrower, acting through the Central Project Management Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall take all measures necessary on its part regularly to collect, compile, and submit to the Bank, as part of the Project Reports, information on the status of compliance with the Environmental Safeguards Instruments, the Social Safeguards Instruments and the Ancol Environmental Safeguards Instruments, giving details of: (a) measures taken in furtherance of such instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such plans; and (c) remedial measures taken or required to be taken to address such conditions.

Provisions Specific to the Environmental Safeguards Instruments

5. The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall:

(a) for each Phase 1 Project Site:

(i) prior to commencing any activities under any Works Contract or otherwise carrying out any activities in any Phase 1 Project Site:

(A) prepare with the Works Contractor and the Supervision Consultant the Environmental and Social Safeguards Management Plan and the Traffic Management Plan for such Phase 1 Project Site, as required by the Environmental and Social Safeguards Management Framework; and

(B) submit each such plan to the Bank for review and receive from the Bank its written no-objection thereto;
(ii) thereafter undertake dredging, rehabilitation and related activities in each Phase 1 Project Site in accordance with: the Phase 1 Environmental Impact Assessment, Management Plan and Monitoring Plan, the Environmental Impact Assessment Supplementary Report, the Environmental and Social Safeguards Management Framework, the Environmental and Social Safeguards Management Plan for each Project Site and the Traffic Management Plan for each Project Site; and implement all actions required to be taken by the Borrower, the Central Project Implementation Unit or the respective Project Implementation Unit with respect to the foregoing until completion of the Project in a timely manner satisfactory to the Bank; and

(b) for each Phase 2 Project Site:

(i) prior to commencing any activities under any Works Contract or otherwise carrying out any activities in any Phase 2 Project Site:

(A) prepare and obtain the approval of the Jakarta Provincial Environmental Management Agency for the Phase 2 Environment Impact Assessment, Management Plan and Monitoring Plan;

(B) prepare with the Works Contractor and the Supervision Consultant, the Environmental and Social Safeguards Management Plan and the Traffic Management Plan for such Project Site, as required by the Environmental and Social Safeguards Management Framework and acceptable to the Bank;

(C) submit each such Phase 2 Environment Impact Assessment, Management Plan and Monitoring Plan and Environmental and Social Safeguards Management Plan and the Traffic Management Plan to the Bank for review and receive from the Bank its written no-objection thereto; and

(D) make each such plan publicly available on the Project Website, the DKI Website (for the DKI Parts of the Project) and at the relevant POSKO; and

(ii) thereafter undertake dredging, rehabilitation and related activities in each Phase 2 Project Site in accordance with: the
Phase 2 Environmental Impact Assessment, Management Plan and Monitoring Plan, the Environmental Impact Assessment Supplementary Report, the Environmental and Social Safeguards Management Framework, the Environmental and Social Safeguards Management Plan for such Project Site and the Traffic Management Plan for such Project Site; and implement all actions required to be taken by the Borrower, the Central Project Implementation Unit or the respective Project Implementation Unit with respect to the foregoing until completion of the Project, in each case in a timely manner satisfactory to the Bank.

6. The Borrower, acting through the Central Project Implementation Unit, shall ensure that each of DGWR and DGHS, with respect to the MPW Parts of the Project, and DKI, with respect to the DKI Parts of the Project, shall:
   (a) immediately cease all activity at the Section of such Project Site where such Hazardous Material was found;
(b) immediately provide written notice to the Bank with details of the location and the content of such Hazardous Material;

(c) immediately take all action necessary to comply with applicable laws and regulations of the Borrower;

(d) immediately ensure that the Section shall be marked as a hazardous site and the Hazardous Material shall be left in situ until arrangements satisfactory to the Bank and the Borrower are made for their safe disposal;

(e) ensure that no Hazardous Materials shall be deposited in the Ancol CDF or at any other site except a Hazardous Materials Disposal Site in accordance with this Section I.D;

(f) take all action required on its respective part to enter into an agreement, on terms and conditions satisfactory to the Bank and the Borrower, with the Hazardous Material Disposal Site Operator for the disposal of such Hazardous Material by the date which is no later than the earlier of five (5) days after the Hazardous Material is found or the date which is the deadline for arranging disposal of Hazardous Materials in effect at such time under the laws and regulations of the Borrower, except as may be otherwise agreed in writing between the Borrower and the Bank;

(g) thereafter, ensure that the Hazardous Materials shall be transported only to the Hazardous Material Disposal Site in accordance with the procedures set out in the Project Operations Manual, this Agreement and the foregoing agreement with the Hazardous Material Disposal Site Operator; and

(h) ensure that each agreement referred to in sub-paragraph (f) shall include the right of the Bank to inspect, from time to time, the Hazardous Material Site and the obligation of the Hazardous Material Site Operator to provide to the Borrower and the Bank such information as the Borrower or the Bank may from time to time request concerning the deposit of the Hazardous Materials and the operation of the Hazardous Material Disposal Site.

9. In the event that any Hazardous Material is found to exist at the Ancol CDF after deposit of Dredged Materials or during the later development of the Ancol CDF by PJA or any other developer, the Borrower shall ensure, and shall cause DKI as a shareholder of PJA to ensure that PJA takes all action necessary to comply with: (a) the terms of this Agreement, the Project Agreement, the Operations
Manual to the extent that they remain applicable; and (b) the laws and regulations of the Borrower with respect to such Hazardous Materials.

Provisions Specific to the Ancol CDF

10. The Borrower shall take all actions necessary on its part to: (a) ensure that the Ancol CDF is designed, constructed, operated and maintained in accordance with the Ancol Environmental Safeguards Instruments; and (b) cause the Jakarta Provincial Environment Management Agency to enable the Bank to monitor the operations at Ancol CDF (including the environmental mitigation activities), including cooperatively and jointly through the Jakarta Provincial Environmental Management Agency.

11. The Borrower shall take all actions necessary on its part to cause DKI to exercise its rights as a shareholder of PJA and under the Cooperation Agreement to cause PJA to: (a) implement the requirements (including mitigation measures) of the Ancol Environmental Safeguards Instruments; (b) allow the Central Project Implementation Unit, the Supervision Consultant and representatives of the Bank to enter PJA property and to have access to the Ancol CDF and to monitor and supervise the operations at Ancol CDF and the Offsite Sources (including the environmental mitigation activities), including cooperatively and jointly through the Jakarta Provincial Environmental Management Agency; (c) provide such documentation and other information concerning the Ancol CDF site as the Bank may reasonably request; (d) provide to the Bank and the Supervision Consultant a copy of each of PJA's quarterly environmental management reports (RKL) and environmental monitoring reports (RPL) on the Ancol CDF and such other information as the Bank may reasonably request, until completion of the Project and thereafter for so long as the Bank may reasonably request; and (e) handle any Hazardous Material only in accordance with paragraphs 8-9 of this Section I.D.

12. The Borrower shall take all actions necessary on its part to cause DKI to exercise its rights as shareholder of PJA and under the Cooperation Agreement to ensure that only materials meeting the requirements of the Ancol Environmental Safeguards Instruments shall be deposited in the Ancol CDF.

Provisions Specific to Land Acquisition and Resettlement

13. The Borrower shall ensure that DKI remains the entity duly authorized and responsible for land acquisition and resettlement, compensation and rehabilitation or other assistance in connection with the Project on all Project Sites during Project implementation.

14. (a) The Borrower shall take all actions necessary on its part to coordinate with DKI with respect to the acquisition of land required for the purposes
of the Project and to enable DKI to complete the acquisition of land and all rights to use related thereto required for the Project Implementation Units to carry out the dredging, rehabilitation and related activities under Part 1 of the Project and to comply with, the provisions of this Section I.D and Section I.C of the Schedule to the Project Agreement.

(b) The Borrower shall take all action necessary on its part to ensure that DGWR and DGHS cooperate with DKI in the acquisition of land and to comply with the provisions of this Section I.D and Section I.C of the Schedule to the Project Agreement.

15. The Borrower shall: (a) ensure that the following are financed exclusively out of its own resources or DKI's resources and not out of the proceeds of the Loan; (b) provide, promptly as needed, the resources needed for this purpose: (i) all land and land use rights required for the purposes of the Project, whether at a Project Site or a Linked Site; (ii) all resettlement and rehabilitation compensation and other assistance to Project Affected Persons in accordance with all Resettlement Plans and the Resettlement Policy Framework, whether at a Project Site or a Linked Site; and (c) all activities related to implementation of the Grievance Redress System, except for the assistance of the Supervision Consultant and the Panel of Experts which shall be financed out of the proceeds of the Loan.

16. **Project Site Resettlement Plans.** The Borrower shall ensure that DGWR and DGHS shall cooperate with DKI to, and shall cause DKI to:

(a) apply the Resettlement Policy Framework to each Project Site, including to determine whether there are any Project Affected Persons at such Project Site;

(b) take all necessary actions to minimize to the extent possible any involuntary relocation of persons, or their loss of shelter, assets, or access to assets, or loss of income sources or means of livelihood, temporarily or permanently on any Project Site;

(c) make the Resettlement Policy Framework available to the public at each POSKO, on the Project Website, on the DKI Website, at the office of the Central Project Implementation Unit, at the office of each Project Implementing Unit and at the office of each Works Contractor;

(d) with respect to each Project Site at which Project Affected Persons have been identified in accordance with the Resettlement Policy Framework, before commencing any land acquisition or resettlement or beginning
any works or any preparation for works on any such Project Site which is a DKI Project Site, or before the Borrower shall permit DGWR or DGHS to begin any works or any preparation activities for works on any Project Site which is a DGWR Project Site or a DGHS Project Site, respectively:

(i) prepare in accordance with the Resettlement Policy Framework, a draft Resettlement Plan, with a timetable and budget, including adequate and timely provision of counterpart funds;

(ii) carry out consultations on such draft Resettlement Plan in accordance with the Resettlement Policy Framework and take such consultations into consideration in finalizing such Resettlement Plan;

(iii) submit such Resettlement Plan to the Bank for no-objection and receive from the Bank its written no-objection on such Resettlement Plan;

(iv) provide a copy of such Resettlement Plan to the Supervision Consultant;

(v) publicize such Resettlement Plan at the POSKO for the relevant Project Site and on the Project Website and the DKI Website;

(vi) ensure that all Project Affected Persons shall have been fully compensated and provided with all applicable resettlement and rehabilitation benefits and other assistance in accordance with the provisions of such Resettlement Plan and the Resettlement Policy Framework, and provide documentation thereof in each monthly and quarterly report on Resettlement Plans in accordance with paragraph 18 of this Section I.D and each Project Report; and

(e) ensure that independent appraisal, consultation and grievance redress mechanisms in each Resettlement Plan and any recommendations of the Panel of Experts are implemented, recorded and reported in a timely manner and in accordance with the terms of the Resettlement Plan and the Resettlement Policy Framework during implementation of the Project.

17. **Linked Site Resettlement Plans.** With respect to each Linked Site, the Borrower shall ensure that DGWR and DGHS shall cooperate with DKI to, and
shall cause DKI, as the entity with responsibility for land acquisition and resettlement in Jakarta, to:

(a) apply the Resettlement Policy Framework to all Linked Sites with any dredging, rehabilitation or other canal, floodway or embankment-related activities, including to determine whether there are any Project Affected Persons at such Linked Site;

(b) take all necessary actions to minimize to the extent possible any involuntary relocation of persons, or their loss of shelter, assets, or access to assets, or loss of income sources or means of livelihood, temporarily or permanently on any such Linked Site;

(c) make the Resettlement Policy Framework available to the public at each such Linked Site;

(d) with respect to any such Linked Site with Project Affected Persons during Project implementation, before commencing any land acquisition or resettlement or beginning any activities described in sub-paragraph (a) above on any such Linked Site:

(i) prepare in accordance with the Resettlement Policy Framework, a draft Resettlement Plan with a timetable and budget, including adequate and timely provision of counterpart funds;

(ii) carry out consultations on such draft Resettlement Plan in accordance with the Resettlement Policy Framework and take such consultations into consideration in finalizing such Resettlement Plan;

(iii) submit such Resettlement Plan to the Bank for no-objection and receive from the Bank its written no-objection on such Resettlement Plan;

(iv) provide a copy of such Resettlement Plan to the Supervision Consultant

(v) publicize such Resettlement Plan at such Linked Site and on the Project Website and the DKI Website; and

(vi) ensure that all Project Affected Persons shall have been fully compensated and provided with all applicable resettlement and rehabilitation benefits in accordance with the provisions of such Resettlement Plan and the Resettlement Policy Framework and
provide documentation thereof at the relevant POSKO, in each monthly and quarterly report on Resettlement Plans in accordance with paragraph 18 of this Section I.D and each Project Report; and

(e) ensure that independent appraisal, consultation and grievance redress mechanisms in each Resettlement Plan and any recommendations of the Panel of Experts are implemented, recorded and reported in a timely manner and in accordance with the terms of the Resettlement Plan and the Resettlement Policy Framework during implementation of the Project.

18. Without limitation on the generality of paragraph 4 of this Section I.D, the DKI Project Implementation Unit shall provide to the Central Project Management Unit and the Bank monthly reports on the implementation of all Resettlement Plans, which shall be included in the quarterly Project Reports referred to in Section II of this Agreement.

E. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the Anti-Corruption Action Plan.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the Performance Indicators agreed in writing between the Borrower 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.

2. The Borrower shall ensure that each Project Report shall include: (a) from the Central Project Management Unit: (i) progress reports on the Annual Work Program of each Project Implementation Unit; (ii) procurement progress; (iii) challenges, proposed solutions and assistance required; (iv) updated project cost estimates, procurement plan and implementation schedule; and (v) updated progress on Performance Indicators; and (b) from the DKI Project Implementation Unit: reports on the implementation of the Resettlement Plans.

3. The Borrower, through the Central Project Management Unit, shall prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, by no
later than the second anniversary of this Agreement (except as may be otherwise agreed between the Borrower and the Bank in writing), a mid-term report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 of this Section II.A, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date, based on the conclusions and recommendations of such review and the Bank’s views on the matter.

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 Borrower 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 its 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 (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-Consulting Services. All goods, works and non-consulting services 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. Consultants’ Services. All consultants’ services 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 Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. 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, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works, and Non-Consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-Consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the following additional procedures set out in Annex 2 to this Schedule</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection</td>
</tr>
<tr>
<td>(b) Least-Cost Selection</td>
</tr>
<tr>
<td>(c) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single-Source Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>
D. 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 (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works under Part 1 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)(a) Works under Part 1 of the Project for the DGWR Project Sites</td>
<td>42,400,000</td>
<td>80%</td>
</tr>
<tr>
<td>(1)(b) Works under Part 1 of the Project for the DGHS Project Sites</td>
<td>17,800,000</td>
<td>80%</td>
</tr>
<tr>
<td>(1)(c) Works under Part 1 of the Project for the DKI Project Sites</td>
<td>69,340,000</td>
<td>67%</td>
</tr>
<tr>
<td>(2) Consultants Services, Goods and Non-Consulting Services under Parts 2(a), 2(d) and Part 2(e) of the Project</td>
<td>10,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>139,640,000</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 from the Loan Account until the Bank has received payment in full of the Front-end Fee.

2. The Closing Date is March 31, 2017.

Section V. Other Undertakings.

1. The Borrower represents and warrants that each of DKI, DGWR and DGHS shall at all times during Project implementation, maintain all legal and regulatory authority necessary to carry out its respective obligations under this Agreement and the Project Agreement.

2. To the extent decided by final judgment of a court or arbitration or other body that the Bank is liable for any losses, claims, damages, awards, penalties, or liability incurred which arise from any claim by any third party arising out of the execution of the Project or any action taken by PJA or related to any development at the Ancol CDF, then subject to the aforesaid final judgment the Borrower shall indemnify and hold harmless the Bank with respect to all such liability. This provision shall not be limited by Section 9.05 of the General Conditions.
<table>
<thead>
<tr>
<th>Column 1: Works Contract Package #</th>
<th>Column 2: Project Site Name</th>
<th>Column 3: Approximate Project Site Location*</th>
<th>Column 4: Location Coordinates (WGS 84)**</th>
<th>Column 4: Responsible Project Implementation Unit / Related Part of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Approximate length (m)</td>
<td>Approximate width (m)</td>
<td>Approximate area (m² or ha)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Ciliwung-Gunung Sahari Floodway</td>
<td>5,100</td>
<td>21.50 – 45.90</td>
<td>171,870 m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Cengkareng (including sea side) Floodway</td>
<td>7,840 (540)</td>
<td>38.00 – 87.00</td>
<td>490,000 m²</td>
</tr>
<tr>
<td>2b</td>
<td>Lower Sunter Floodway</td>
<td>9,980</td>
<td>20.20 – 47.40</td>
<td>338,320 m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cideng Thamrin Drain (Round Road drain)</td>
<td>3,840 (1,960)</td>
<td>10.00 – 19.00</td>
<td>55,680 m²</td>
</tr>
<tr>
<td>4</td>
<td>Sentiong-Sunter Drain (including Ancol Canal)</td>
<td>5,950 (400)</td>
<td>16.10 – 31.20</td>
<td>161,240 m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Tanjungan Drain</td>
<td>600</td>
<td>9.20 – 26.00</td>
<td>10,560 m²</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lower Angke Drain</td>
<td>4,050</td>
<td>31.00 – 51.00</td>
<td>166,050 m²</td>
</tr>
<tr>
<td>6</td>
<td>West Banjir Canal (sea side)</td>
<td>3,060 (590)</td>
<td>33.00 – 41.00</td>
<td>266,220 m²</td>
</tr>
<tr>
<td></td>
<td>Upper Sunter Floodway</td>
<td>5,150</td>
<td>15.00 – 36.00</td>
<td>131,320 m²</td>
</tr>
</tbody>
</table>
ANNEX 1 to SCHEDULE 2, continued

<table>
<thead>
<tr>
<th>Linked Sites</th>
<th>Approximate length (m)</th>
<th>Location Coordinates (WGS 84)**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Linked to the Sentiong Sunter Drain:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Kali Item</td>
<td>780 m</td>
<td>from 48M 705 214 m E, 932 2354 m S to 48M 704 486 m E, 932 2317 m S</td>
</tr>
<tr>
<td>2. Kalibaru</td>
<td>1,450 m</td>
<td>from 48M 704 199 m E, 931 7101 m S to 48M 704 985 m E, 931 8244 m S</td>
</tr>
<tr>
<td>3. Sunter Kemayoran</td>
<td>2,730 m</td>
<td>from 48M 708 138 m E, 931 8453 m S to 48M 705 692 m E, 931 9264 m S</td>
</tr>
<tr>
<td><strong>Linked to Ciliwung-Gunung Sahari:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Ancol Kampung Bandan</td>
<td>1,330 m</td>
<td>from 48M 701 232 m E, 932 1892 m S to 48M 702 548 m E, 932 2037 m S</td>
</tr>
<tr>
<td>5. Ancol Long Storage</td>
<td>1,550 m</td>
<td>from 48M 704 114 m E, 932 2314 m S to 48M 702 594 m E, 932 2045 m S</td>
</tr>
<tr>
<td><strong>Linked to the Upper Sunter Floodway:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Canal along Jalan Kayu Putih Timur</td>
<td>2,950 m</td>
<td>from 48M 708 158 m E, 931 5540 m S to 48M 710 141 m E, 931 6666 m S</td>
</tr>
<tr>
<td><strong>Linked to Pakin-Kali Besar-Jelakeng Drain:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Anak K. Ciliwung Utara</td>
<td>2,075 m</td>
<td>from 48M 701 201 m E, 932 0954 m S to 48M 700 242 m E, 932 2322 m S</td>
</tr>
<tr>
<td>8. Canal along Jalan Tubagus Angke</td>
<td>1,780 m</td>
<td>from 48M 698 302 m E, 932 0676 m S to 48M 700 057 m E, 932 0811 m S</td>
</tr>
<tr>
<td>9. PHB Bandengan Utara</td>
<td>1,530 m</td>
<td>from 48M 698 437 m E, 932 1296 m S to 48M 699 995 m E, 932 1436 m S</td>
</tr>
<tr>
<td>10. Waduk Pluit</td>
<td>80 ha.</td>
<td>48M 699 144 m E, 932 3577 m S</td>
</tr>
</tbody>
</table>

*Approximate length, width, area and coordinates may vary without an amendment to this Agreement, subject to prior written concurrence of the Bank. See also the map in Section 3 of this Annex.

** WGS 84 refers to World Geodetic System 84, a reference coordinate system.
ANNEX 1 to SCHEDULE 2, continued

Section 3. Map

ATTACHED AT END OF DOCUMENT
ANNEX 2 to SCHEDULE 2

National Competitive Bidding: Modifications to Procedures

The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those of the Pelelangan Umum (Public Tendering) and Pemilihan Langsung / Pelelangan Sederhana (Simplified Tendering) methods as set forth in the Borrower’s Presidential Regulation No. 54/2010, with the modifications set out below in order to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines, pursuant to paragraph 3.3 of said Guidelines. The Pemilihan Langsung / Pelelangan Sederhana method shall apply to such procurement up to the financial thresholds specified in said Regulation. In the event of a conflict between the Borrower’s procedures and these modifications, the latter shall govern.

1. Procuring entities shall use the appropriate standard bidding documents acceptable to the Borrower and the Bank. The provisions of Section 1.14 (Fraud and Corruption) of the Procurement Guidelines shall apply, and each bidding document and contract financed out of the proceeds of the Loan shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.14(a) of said Guidelines and the contract provisions set out in paragraph 1.14(e) of said Guidelines.

2. Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign firm determined to be the lowest evaluated responsive bidder shall be given reasonable time for registration. Foreign bidders shall not be required to form a joint venture or sub-contract part of the supply of goods, non-consulting services, and works as a condition for submitting bids or the award of the contract. Bidding documents shall be made available, by mail or in person, to all international bidders who are willing to pay the required fee.

3. No preference of any kind shall be given to any bidders.

4. Under the Pelelangan Umum method, bidders shall be allowed at least twenty-one (21) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids; this period shall be ten (10) days under the Pemilihan Langsung / Pelelangan Sederhana method.

5. Bids invited under the Pelelangan Umum method shall be submitted in one (1) envelope and evaluated using post-qualification.

6. No bidder shall be rejected merely on the basis of a comparison with the owner’s estimate and budget ceiling without the Bank’s prior written concurrence.

7. Bid security, at the bidder’s option, shall be in the form of a letter of credit or guarantee from a reputable bank or other reputable financial institution and shall without exception follow the form provided for this purpose in the bidding documents.

8. All bids shall not be rejected and new bids solicited without the Bank’s prior written concurrence.
9. Government-owned enterprises in Indonesia shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Borrower or sub-borrower.
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>March 1, 2021</td>
<td>2.17</td>
</tr>
<tr>
<td>September 1, 2021</td>
<td>2.22</td>
</tr>
<tr>
<td>March 1, 2022</td>
<td>2.28</td>
</tr>
<tr>
<td>September 1, 2022</td>
<td>2.34</td>
</tr>
<tr>
<td>March 1, 2023</td>
<td>2.40</td>
</tr>
<tr>
<td>September 1, 2023</td>
<td>2.46</td>
</tr>
<tr>
<td>March 1, 2024</td>
<td>2.52</td>
</tr>
<tr>
<td>September 1, 2024</td>
<td>2.58</td>
</tr>
<tr>
<td>March 1, 2025</td>
<td>2.64</td>
</tr>
<tr>
<td>September 1, 2025</td>
<td>2.71</td>
</tr>
<tr>
<td>March 1, 2026</td>
<td>2.78</td>
</tr>
<tr>
<td>September 1, 2026</td>
<td>2.85</td>
</tr>
<tr>
<td>March 1, 2027</td>
<td>2.92</td>
</tr>
<tr>
<td>September 1, 2027</td>
<td>2.99</td>
</tr>
<tr>
<td>March 1, 2028</td>
<td>3.07</td>
</tr>
<tr>
<td>September 1, 2028</td>
<td>3.14</td>
</tr>
<tr>
<td>March 1, 2029</td>
<td>3.22</td>
</tr>
<tr>
<td>September 1, 2029</td>
<td>3.30</td>
</tr>
<tr>
<td>March 1, 2030</td>
<td>3.38</td>
</tr>
<tr>
<td>September 1, 2030</td>
<td>3.47</td>
</tr>
<tr>
<td>March 1, 2031</td>
<td>3.56</td>
</tr>
<tr>
<td>September 1, 2031</td>
<td>3.65</td>
</tr>
<tr>
<td>March 1, 2032</td>
<td>3.74</td>
</tr>
<tr>
<td>September 1, 2032</td>
<td>3.83</td>
</tr>
<tr>
<td>March 1, 2033</td>
<td>3.93</td>
</tr>
<tr>
<td>September 1, 2033</td>
<td>4.02</td>
</tr>
<tr>
<td>March 1, 2034</td>
<td>4.12</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 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

Definitions

1. "AMDAL" means Analisis Mengenai Dampak Lingkungan, the Borrower’s term for an environmental impact assessment, managing and monitoring process and its related documentation under Law No.32 of 2009 regarding Environmental Protection and Management.

2. "Ancol CDF" means the contained disposal facility in Jakarta Bay, designated on the map in Section 3 of the Annex to Schedule 2 to this Agreement, consisting of approximately 119 hectares of land reclaimed or to be reclaimed and a confining dyke approximately 2 kilometers long and 800 meters wide, owned, designed, constructed, maintained and operated by PJA in accordance with the Ancol Environmental Impact Assessment, Management Plan and Monitoring Plan and the Ancol Supplementary Report, and to which the Project Implementation Units shall deliver Dredged Materials from the Project Sites to PJA for deposit in such Ancol CDF in accordance with the Cooperation Agreement.

3. “Ancol Environmental Impact Assessment, Management Plan and Monitoring Plan (AMDAL)” means the impact assessment, management plan and monitoring plan for the Ancol CDF, prepared by PJA, approved by the Jakarta Provincial Environmental Management Agency on February 6, 2006 and March 30, 2009 (it being understood that to the extent there may be a conflict between the terms of the two such dated documents, the terms of the later document shall prevail) and disclosed on January 26, 2011, referred to in Section I.D of Schedule 2 to this Agreement and Section I.C of the Schedule to the Project Agreement, setting out mitigation, enhancement, monitoring, and institutional measures, to eliminate any adverse environmental impacts of activities to be implemented by PJA in the Ancol CDF, offset them, or reduce them to acceptable levels, or enhance positive impacts and consisting of:

(a) the environmental impact assessment, dated February 6, 2006;

(b) the Environment Management Plan (RKL), dated February 6, 2006;

(c) the Environment Monitoring Plan (RPL) dated February 6, 2006;

(d) the Ancol Updated Environment Management Plan (RKL) and Environment Monitoring Plan (RPL) dated March 30, 2009; and

(e) all schedules and annexes to such assessments and plans;

in each case as the same may be modified from time to time with the prior written agreement of the Bank.

4. “Ancol Environmental Safeguards Instruments” means, collectively, the Ancol Environmental Impact Assessment, Management Plan and Monitoring Plan (AMDAL)
and the Ancol Supplementary Report, as the same may be modified from time to time with the prior written agreement of the Borrower and the Bank.

5. “Ancol Supplementary Report” means the supplementary Environment Management Plan and Monitoring Plan (RKL/RPL) prepared by PJA, dated September 2011 and disclosed on November 2, 2011, setting out the additional measures which PJA will implement to mitigate, manage and monitor adverse environmental impacts in the Ancol CDF, as the same may be modified from time to time with the prior written agreement of the Borrower and the Bank.

6. “Annual Work Program” means each annual program of activities under Part 1 of the Project, developed by a Project Implementation Unit covering activities at its respective Project Sites in accordance with paragraph 4 of Section I.C of Schedule 2 to this Agreement and paragraph 3 of Section I.B of the Schedule to the Project Agreement, and agreed in writing with the Bank, as in each case as the same may be modified from time to time with the prior written agreement of the Bank.

7. “Anti-Corruption Action Plan” means a stand-alone chapter of the Project Operations Manual designed to integrate the contents of the Anti-Corruption Guidelines and to give effect thereto, and giving details of a program of actions, measures and policies designed to reduce or eliminate fraud and corruption in all its forms under the Project, including enhanced information disclosure provisions, civil society oversight provisions, mitigation measures to deal with the risks associated with collusion, forgery and fraud, a complaints handling mechanism, and an appropriate regime of sanctions and remedies, as such chapter may be revised from time to time with the prior written agreement of the Bank and the Borrower, and such term includes any annexes or schedules to such chapter.


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

11. “Central Project Implementation Unit” or “CPIU” means the management unit to be established, staffed and operated by DGWR in its Directorate of Rivers and Coastal (or any successor to such directorate acceptable to the Borrower and the Bank), and responsible for project implementation management as referred to in paragraph 2(b) of Section I.B of the Schedule 2 to the Loan Agreement, or any successor thereto.

12. “Central Project Management Unit” or “CPMU” means the management unit to be established, staffed and operated by DGWR in its Office of Planning and Programming (or any successor to such office acceptable to the Borrower and the Bank) and responsible for overall project coordination management as referred to in paragraph 2(a) of Section I.B of the Schedule 2 to the Loan Agreement, or any successor thereto.
13. “Co-financing Agreement” means the agreement between the Borrower and the Bank, as administrator of grant funds provided by the Netherlands (TF092649), dated October 20, 2008, as amended from time to time.

14. “Consolidated Summary of Environmental Impact Assessment” means the Consolidated Summary of Environmental Impact Assessment for the Project, prepared by the Borrower, acting through the Central Project Implementation Unit, dated September 2011 and disclosed on November 2, 2011, as the same may be amended from time to time with the prior written agreement of the Bank.


16. “Cooperation Agreement” means the Cooperation Agreement, dated December 22, 2010, between DKI and PJA, outlining the responsibilities and roles of each party with respect to the delivery of Dredged Materials to the Ancol CDF and the subsequent deposit therein, as the same may be amended from time to time; provided, however, that any such amendments have been agreed in writing by the Bank to be acceptable for the purposes of the Project prior to the signature of any such amendments.


18. “DGHS Project Sites” means, collectively, the Project Sites which are the responsibility of DGHS as follows:
   (a) Cideng Thamrin Drain (Round Road drain), which is a Phase 2 Project Site and which comprises Package 3; and
   (b) Tanjungan Drain and Lower Angke Drain, which are Phase 2 Project Sites and which comprise Package 5;

   each as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.


20. “DGWR Project Sites” means, collectively, the Project Sites which are the responsibility of DGWR as follows:
   (a) Cengkareng Floodway (including sea side), which is a Phase 1 Project Site and which comprises Package 2a;
   (b) Lower Sunter Floodway, which is a Phase 1 Project Site and which comprises Package 2b; and
21. "Directorate of Environmental Sanitation Development" means the Direktorat Penyehatan Lingkungan Permukiman or Directorate of Environmental Sanitation Development of DGHS in which the Project Implementation Unit for the DGHS Project Sites under the MPW Parts of the Project is located, or any successor thereto.

22. "Disposal Sites" means, collectively, each of the Ancol CDF, the Solid Waste Disposal Site and the Hazardous Material Disposal Site.

23. "DKI" means Daerah Khusus Ibukota Jakarta, the province-level administrative subdivision of the Borrower for the Jakarta special capital region, or any successor thereto.

24. "DKI Parts of the Project" means, collectively, the activities which are the responsibility of DKI under:

(a) Part 1 of the Project implemented at the DKI Project Sites;

(b) Part 2(a) of the Project with respect to the DKI Project Sites;

(c) implementation of all Resettlement Plans under Part 2(c) of the Project; and

(d) cooperation in the implementation of the Grievance Redress System under Part 2(d) of the Project and the Panel of Experts under Part 2(e) of the Project.

25. "DKI Project Sites" means, collectively, the Project Sites which are the responsibility of DKI as follows:

(a) Ciliwung-Gunung Sahari Floodway and Waduk Melati (Kali Gresik and Cideng Hulu), which are Phase 1 Project Sites and which comprise Package 1;

(b) Sentiong-Sunter Drain (including Ancol Canal), Waduk Sunter Utara (outlet drain), Waduk Sunter Selatan, and Waduk Sunter Timur III, which are Phase 2 Project Sites and which comprise Package 4; and

(c) Grogol-Sekretaris Drain, Pakin-Kali Besar-Jelakeng Drain, Krukut Cideng Drain and Krukut Lama Drain, which are Phase 2 Project Sites and which comprise Package 7;

each as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.

26. "DKI Website" means the website or the portion of the website established and operated by DKI to provide information to the public about the DKI Parts of the Project, at www.jakarta.go.id, or any other website acceptable to the Borrower and the Bank.
27. “DPU-DKI” means Dinas Pekerjaan Umum, the Jakarta public works agency of DKI in which the Project Implementation Unit for the DKI Parts of the Project is located, or any successor thereto.

28. “Dredged Materials” means materials dredged from the Project Sites, excluding Hazardous Materials and Solid Waste, that will, subject to the terms of this Agreement, be delivered by each Project Implementation Unit’s Works Contractor to PJA for deposit in the Ancol CDF in accordance with the Cooperation Agreement.

29. “Environmental and Social Safeguards Management Framework” or “ESMF” means the Project framework, prepared by the Borrower, acting through the Central Project Implementation Unit, dated September 2011 and disclosed on November 2, 2011 and acceptable to the Bank, referred to in Section I.D of Schedule 2 to this Agreement and Section I.C of the Schedule to the Project Agreement, setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, 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, including the requirements for the development of each Environmental and Social Safeguards Management Plan, 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.

30. “Environmental and Social Safeguards Management Plan” or “ESMP” means each plan to be prepared, in accordance with the provisions of the Environmental and Social Safeguards Management Framework, by each Works Contractor, approved by the Supervision Consultant, and adopted by each Project Implementation Unit for one or more Project Sites under its respective responsibility and acceptable to the Bank, referred to in Section I.D of Schedule 2 to this Agreement and Section I.C of the Schedule to the Project Agreement, setting out Project Site-specific mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental and social 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.

31. “Environmental and Social Working Group” or “ESWG” means the environmental and social working group, to be established by DKI in accordance with paragraph 3(e) of Section I.B of Schedule 2 to this Agreement and acceptable to the Bank, to be responsible for preparing and supervising the carrying out of all Resettlement Plans.


33. “Environmental Impact Assessment Supplementary Report” means the report prepared by the Borrower, acting through the Central Project Implementation Unit, dated September 2011 and disclosed on November 2, 2011, acceptable to the Bank, prepared in connection with the Phase 1 Environmental Impact Assessment, Management Plan and
Monitoring Plan and also to be applied to the Phase 2 Environmental Impact Assessment, Management Plan and Monitoring Plan, and including all supplements and annexes to such report, as the same may be modified from time to time with the prior written agreement of the Bank.

34. “Environmental Safeguards Instruments” means, collectively, the Environmental Impact Assessment, Management and Monitoring Plans, the Environmental Impact Assessment Supplementary Report, the Consolidated Summary of Environmental Impact Assessment and the Environmental and Social Management Framework, the Environmental and Social Management Plan for each Project Site, and the Traffic Management Plan for each Project Site.

35. “Flood Management Information System” means the Borrower’s system for managing flood information in Jakarta, for which the Project will provide technical assistance under Part 2(b) of the Project.


37. “Grievance Redress System” means the system, meeting the requirements set out in paragraph 12 of Section I.C of Schedule 2 to this Agreement and paragraph 11 of Section I.B of the Schedule to the Project Agreement, described in the Resettlement Policy Framework and the Project Operations Manual, designed to track complaints regarding the Project, guide resolution of such complaints, and track and publicize resolution of such complaints, as such system may be updated from time to time by prior written agreement between the Borrower and the Bank.

38. “Hazardous Material” means any materials that, due to their nature, concentration, and/or amount, can directly or indirectly pollute and/or harm the environment, and/or endanger the environment and/or the health, and life existence of humans and the other living creatures in as defined in paragraph 21 of Section 1 of Chapter 1 of the Borrower’s Law No.32 of 2009 regarding Environmental Protection and Management (and referred to as Limbah Bahan Berbahaya dan Beracun, or “B3 Waste”).

39. “Hazardous Material Disposal Site” means the existing secure landfill of approximately 50 hectares, located in Cileungsi sub-district, Bogor, West Java and operated by the Hazardous Material Disposal Operator under License Number Kep-36/BAPEDAL/07/1993, issued by the Indonesia Environmental Impact Management Agency (BAPEDAL), dated July 8, 1993, or such other site lawfully operating under the laws and regulations of the Borrower as may be agreed in writing between the Borrower and the Bank.

40. “Hazardous Material Disposal Operator” means PT. Prasadha Pamunah Limbah Industri (PPLi), a limited liability company duly incorporated and operating under the laws and regulations of the Borrower, which is owned in a minority stake by the Borrower through the Ministry of State-Owned Enterprises, and owned in a majority stake by Dowa Eco System Co. Ltd., Japan, and which holds a Hazardous Material landfill license (License Number Kep-36/BAPEDAL/07/1993, issued by the Indonesia Environmental Impact Management Agency (BAPEDAL), dated July 8, 1993), or such other operator of the
Hazardous Material Disposal Site as may be agreed in writing between the Borrower and the Bank.

41. “Involuntary Resettlement” means the following caused on account of Project implementation: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihood of affected persons.

42. “Jakarta” means the geographic area that is the territory of DKI.

43. “Jakarta Provincial Environmental Management Agency” means the Provincial Environmental Management Agency (BPLHD) at the province and municipal level for DKI, or any successor thereto.

44. “Land Acquisition Committee” means each land acquisition/procurement committee, duly constituted in accordance with the regulations of DKI and operating in accordance with the Resettlement Policy Framework, or any successor thereto.

45. “Linked Site” means each of: (a) Kali Item; (b) Kalibaru; (c) Sunter Kemayoran; (d) Ancol Kampung Bandan; (e) Ancol Long Storage; (f) the canal along Jalan Kayu Putih Timur; (g) Anak K. Ciliwung Utara; (h) the canal along Jalan Tubagus Angke; (i) PHB Bandengan Utara; and (j) Waduk Pluit, as each such site identified in the table in Section 2 of the Annex to Schedule 2 to this Agreement.

46. “Ministry of Finance” means Kementerian Keuangan, the Ministry of Finance of the Borrower, or any successor thereto.

47. “Ministry of Home Affairs” means the Ministry of Home Affairs of the Borrower, or any successor thereto.

48. “Ministry of Public Works” or “MPW” means Kementerian Pekerjaan Umum, the Ministry of Public Works of the Borrower, or any successor thereto.

49. “MPW Parts of the Project” means, collectively, the activities which are the responsibility of MPW under:

(a) Part 1 of the Project implemented at the DGWR Project Sites and the DGHS Project Sites;

(b) Part 2(a) of the Project, Part 2(b) of the Project, Part 2(d) of the Project and Part 2(e) of the Project; and

(c) Part 2(c) of the Project with respect to the cooperation required between DGWR and/or DGHS and DKI in the implementation of the Resettlement Policy Framework and Resettlement Plans.
50. "National Steering Committee for Water Resources" means the committee, established by the Borrower pursuant to BAPPENAS decision no 18/M.PPN/HK/01/2009, as the same may be amended from time to time, and described in paragraph 1 of Section I.B of Schedule 2 to the Loan Agreement, responsible for providing coordination and overall guidance for the Project.

51. "Office of Planning and International Cooperation" means the office of planning and overseas cooperation of the Ministry of Public Works, or any successor thereto.

52. "Offsite Sources" means the sources for Sand and Laterite for the Ancol CDF.

53. "Package" means each of the packages of Works Contracts (Packages 1, 2a, 2b, 3, 4, 5, 6 and 7), identified by number in column 1 of the table in Section 1 of the Annex to Schedule 2 to this Agreement, which packages have been grouped together for the purposes of procurement processing and implementation by the responsible Project Implementation Units.

54. "Panel of Experts" means the independent panel of experts to be established by the Central Project Implementation Unit and to operate in accordance with paragraph 3 of Section I.D of Schedule 2 to this Agreement.

55. "Part" means each of the two groupings of activities comprising the Project, namely:

(a) Part 1 of the Project (Dredging and rehabilitation of selected key floodways, canals and retention basins), comprised of Part 1(a) and Part 1(b), each as described in more detail in Schedule 1 to this Agreement and for which a table of related implementation arrangements is also provided in Section 1 of the Annex to Schedule 2 to this Agreement; and

(b) Part 2 of the Project (Technical assistance for Project management, social safeguards and capacity building), comprised of Part 2(a), Part 2(b), Part 2(c), Part 2(d) and Part 2(e), each as described in more detail in Schedule 1 to this Agreement.

56. "Performance Indicators" means the indicators to measure performance of the Project, agreed in writing between the Borrower and the Bank, as of the date of this Agreement, for the purposes of paragraph 1 of Section II.A of Schedule 2 to this Agreement.

57. "Phase" means each of the two phases of implementation of the Project (Phase 1 and Phase 2), which provide for a sequenced Project implementation design in which Packages of Works Contracts, related implementation activities and related technical assistance activities are planned for implementation in two sequenced batches by the responsible Project Implementation Units.

58. "Phase 1" means the first phase of the sequenced Project implementation design covering Works Contracts (Packages 1, 2(a) and 2(b)), related implementation activities and related technical assistance activities by the responsible Project Implementation Units for each of the Phase 1 Project Sites as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.
59. “Phase 1 Environmental Impact Assessment, Management Plan and Monitoring Plan” or “AMDAL” means, collectively, the impact assessment, management plan and monitoring plan for the Phase 1 Project Sites, prepared by the Borrower, acting through the Central Project Implementation Unit, approved by the Jakarta Provincial Environmental Management Agency on March 30, 2010 and disclosed on January 26, 2011, and acceptable to the Bank, referred to in Section I.D of Schedule 2 to this Agreement and Section I.C of the Schedule to the Project Agreement, setting out mitigation, enhancement, monitoring, and institutional measures 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, consisting of:

(a) the Environmental Impact Assessment, dated March 30, 2010;
(b) the Environmental Management Plan (RKL), dated March 30, 2010;
(c) the Environmental Monitoring Plan (RPL), dated March 30, 2010; and
(d) all schedules and annexes to such assessments and plans;

in each case as the same may be modified from time to time with the prior written agreement of the Bank.

60. “Phase 1 Project Sites” means each of:

(a) Ciliwung-Gunung Sahari Floodway and Waduk Melati (Kali Gresik and Cideng Hulu), which are DKI Project Sites and comprise Package 1;
(b) Cengkareng Floodway (including sea side), which is a DGWR Project Site and comprises Package 2a; and
(c) Lower Sunter Floodway, which is a DGWR Project Site and comprises Package 2b;

each as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.

61. “Phase 2” means the second phase of the sequenced Project implementation design covering Works Contracts (Packages 3, 4, 5, 6, and 7), related implementation activities and related technical assistance activities by the responsible Project Implementation Units for each of the Phase 2 Project Sites as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.

62. “Phase 2 Environmental Impact Assessment, Management and Monitoring Plan” means the environmental impact assessment, environmental management plan, environmental monitoring plan and all schedules and annexes to such assessments, plans and reports, to be prepared by the Borrower, approved by the Jakarta Provincial Environmental Management Agency and the Bank prior to commencement of activities under Phase 2 of the Project in accordance with paragraph 5 of Section I.D of Schedule 2 to this Agreement and paragraph 2 of Section I.C of the Schedule to the Project Agreement.
including all schedules and annexes to such assessments, plans and reports; and also including all updates, supplements, amendments or changes to such assessments, plans and reports as they may be from time to time approved by the Jakarta Provincial Environmental Management Agency; provided, however that for the purposes of the Project, that such updates, supplements, amendments or changes have been agreed in writing by the Bank to be acceptable.

63. "Phase 2 Project Sites" means each of:

(a) Cideng Thamrin Drain (Round Road drain), which is a DGHS Project Site and is Package 3;

(b) Sentiong-Sunter Drain (including Ancol Canal), Waduk Sunter Utara (outlet drain), Waduk Sunter Selatan, and Waduk Sunter Timur III, which are DKI Project Sites and comprise Package 4;

(c) Tanjungan Drain and Lower Angke Drain, which are DGHS Project Sites and comprise Package 5;

(d) West Banjir Canal (sea side) and Upper Sunter Floodway, which are DGWR Project Sites and comprise Package 6; and

(e) Grogol-Sekretaris Drain, Pakin-Kali Besar-Jelakeng Drain, Krukut Cideng Drain and Krukut Lama Drain, which are DKI Project Sites and which comprise Package 7;

each as identified in the table in Section 1 of the Annex to Schedule 2 to this Agreement.

64. "PJA" means PT Pembangunan Jaya Ancol Ltd., a limited liability company duly incorporated and operating under the laws and regulations of the Borrower and majority-owned by DKI, which with respect to the Project, is responsible for the construction, maintenance and operation of the Ancol CDF, or any successor thereto which has been agreed in writing between the Borrower and the Bank.

65. "POSKO" means, with respect to each Project Site, the office to be established by the Works Contractor for the Project Implementation Unit responsible for such Project Site to, among other things, act as a public information center and site-based complaint handling unit in accordance with the Project Operations Manual and the requirements of paragraph 5 of Section I.B of Schedule 2 to this Agreement and paragraph 3 of Section I.A of the Schedule to the Project Agreement.

66. "PP" means a Peraturan Pemerintah, a government regulation of the Borrower.

67. "Procurement Committee" means each committee established and operating in accordance with paragraph 4 of Section I.B of Schedule 2 to this Agreement.
“Procurement Guidelines” means the Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010.

“Procurement Plan” means the Borrower’s procurement plan for the Project, dated October 28, 2011 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of such paragraphs.

“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; and “Project Affected Persons” means, collectively, all such persons.

“Project Implementation Unit” or “PIU” means each of: (i) the project implementation unit established by DKI, duly authorized and operating pursuant to regulations of the Borrower, or any successor thereto; (ii) the project implementation unit established by DGWR, duly authorized and operating pursuant to regulations of the Borrower, or any successor thereto; and (iii) the project implementation unit established by DGHS, duly authorized and operating pursuant to regulations of the Borrower, or any successor thereto, each of which is responsible for Project implementation as referred to in paragraph 3 of Section I.B of Schedule 2 to the Loan Agreement.

“Project Implementing Entity” means Daerah Khusus Ibukota Jakarta, or DKI, which is the Project Implementing Entity for the DKI Parts of the Project.

“Project Operations Manual” means the manual, referred to in Section 5.01 and paragraph 1 of Section I.C of Schedule 2 to this Agreement and paragraph 1 of Section I.B of the Schedule to the Project Agreement, acceptable to the Bank, as the same may be amended from time to time with the prior written agreement of the Borrower (acting through the CPMU and CPIU), DKI (with respect to the DKI Parts of the Project only) and the Bank, and such term includes any schedules or annexes to such manual.

“Project Phases” means, collectively, Phase 1 and Phase 2.

“Project Sites” means, collectively, the DKI Project Sites, the DGWR Project Sites and the DGHS Project Sites.

“Project Website” means the website or the portion of the website established and operated by MPW to provide information to the public about the Project, www.pu.go.id, or any other website acceptable to the Borrower and the Bank.

“Provincial Environmental Management Agency (BPLHD)” means Badan Pengendalian Lingkungan Hidup Daerah (BPLHD), the Borrower’s local level environmental management agency (including provincial and municipal level), or any successor thereto.
78. "Regional Office of Ciliwung-Cisadane River Basin" means Balai Besar Wilayah Sungai Ciliwung-Cisadane, the Regional Office of Ciliwung-Cisadane River Basin of DGWR in which the Project Implementation Unit for the DGWR Project Sites under the MPW Parts of the Project is located, or any successor thereto.

79. "Resettlement Plan" or "RP" means each resettlement plan for a Project Site or a Linked Site, acceptable to the Bank, to be prepared in accordance with the requirements of the Resettlement Policy Framework in the event of Involuntary Resettlement, setting out the arrangements pertaining to land acquisition and the compensation, resettlement, and rehabilitation of Project Affected Persons in respect of such Project Site or Linked Site, 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.

80. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework for the Project, adopted by the Project Implementing Entity on April 25, 2011 and acceptable to the Bank, disclosed on July 8, 2011, setting out the arrangements pertaining to land acquisition and the development of Resettlement Plans for the compensation, resettlement, and rehabilitation of Project Affected Persons in all the Project Sites and Linked Sites, as such Resettlement Policy Framework may be revised from time to time with the prior written agreement of the Project Implementing Entity and the Bank, and such terms includes all schedules and annexes to such framework.

81. "RKL" means Rencana Pengelolaan Lingkungan, the Borrower’s term for an environmental management plan.

82. "RPL" means Rencana Pemantauan Lingkungan, the Borrower’s term for an environmental monitoring plan.


84. "Section" means each physical section of each Project Site, mapped and identified by the Project Implementation Unit responsible for such Site, with the input of the Supervision Consultant, in a manner satisfactory to the Bank as required by the Project Operations Manual.

85. "Social Safeguards Instruments" means, collectively, the Resettlement Policy Framework and each Resettlement Plan for each Project Site and each Linked Site (if any) for which a Resettlement Plan is required in accordance with the terms of the Resettlement Policy Framework.

86. "Solid Waste" means materials that are dredged from the Project Sites but are not suitable as Dredged Materials as required by the Project Operations Manual, and are not Hazardous Materials.

87. "Solid Waste Disposal Site" means the existing Bantar Gebang landfill in Bekasi, which is the main solid waste landfill serving Jakarta and operating under permit West Java Governor Permit Number 593.82/SK/282.P/AGK/DA/86 as revised by Permit Number
593.82/ SK.116.P /AGK/DA/26-1987, as the same may be updated from time to time, or such other site lawfully operating under the laws and regulations of the Borrower as may be agreed in writing between the Borrower and the Bank.

88. "Solid Waste Disposal Site Operator" means DKI, or such other operator of the Solid Waste Disposal Site as may be agreed in writing between the Borrower and the Bank.

89. "Subsidiary Loan Agreement" means the agreement referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement pursuant to which the Borrower shall make a portion of the proceeds of the Loan available to the Project Implementing Entity.

90. "Supervision Consultant" means the consulting firm to be hired by the Central Project Implementation Unit in accordance with the provisions of Section III of Schedule 2 to this Agreement, under terms of reference acceptable to the Bank to be responsible for overall supervision and coordination of the Project, including compliance by the Borrower with the Environmental Safeguards Instruments and the Social Safeguards Instruments, and joint supervision together with the Jakarta Provincial Environmental Management Agency of the Ancol Environmental Safeguards Documents.

91. "Traffic Management Plan" means the plan for each Project Site, to be adopted by the Project Implementation Unit and included in the Works Contract, acceptable to the Bank, setting out measures for mitigation and monitoring of any adverse environmental and social impacts arising from the transport of Dredged Materials, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

92. "West Java Provincial Environmental Management Agency" means the Environmental Management Agency (BPLHD) at the province and municipal level for West Java province.

93. "Works Contract" means each contract, procured in accordance with the provisions of Section III of Schedule 2 to this Agreement, with respect to one or more Project Sites to be entered into by the PIU responsible for such Project Site, on terms and conditions acceptable to the Bank and fully reflecting the requirements of the Project Operations Manual, the Environmental Safeguards Instruments and the Social Safeguards Instruments.

94. "Works Contractor" means each firm contracted under a Works Contract, and the obligations of each Work Contractor under the terms of this Agreement shall apply equally to any sub-contractor authorized under the relevant Works Contract.