Dear Ambassador Hermann:

Re: Termination of the Trust Fund Contribution Agreement between the Government of the Kingdom of Denmark, acting through the Danish International Development Agency, and the International Bank for Reconstruction and Development concerning the National Programme for Community Empowerment (PSF) Multi-Donor Trust Fund (TF No. 070967)

1. We refer to the Contribution Agreement, dated February 27, 2008, as amended through February 29, 2012 ("Contribution Agreement"), between the Government of the Kingdom of Denmark, acting through the Danish International Development Agency (the "Donor") and the International Bank for Reconstruction and Development (the "Bank"), pursuant to which the Donor made available as a grant the sum of eighty two million four hundred fifty thousand Danish Kroner (DKK 82,450,000) (the "Contribution") for the Support Facility for National Programme for Community Empowerment (the "Project", or the "Trust Fund"). Capitalized terms used but not defined in this amendment have the meanings given to them in the Contribution Agreement.

2. On January 22, the PSF Joint Steering Committee endorsed the extension of the end-disbursement date of the Trust Fund until December 31, 2017.

3. Pursuant to your correspondence of February 11, 2013, expressing the Donor’s preference not to participate in the extension of the Trust Fund and withdraw from the Contribution Agreement on June 30, 2014 (the "Termination Date"), and recent discussions between the Donor and the Bank, it is agreed that:

(a) The amount of funds committed under the Trust Fund pursuant to grant agreements or any other agreement entered into between the Bank and any consultants and/or other third parties for the purposes of the Trust Fund exceeds the Donor’s Contribution. Notwithstanding Article 18 of Annex 2 to the Contribution Agreement and Sections 13.3 and 13.4 of Annex 3 to the Contribution Agreement, the Donor hereby waives any rights to receive: (i) its pro-rata share of any remaining uncommitted balance of the Trust Fund as of the Termination Date; (ii) its pro-rata share of any remaining balance of the Trust Fund as of the final end-disbursement date; and (iii) any funds that the Donor may be entitled to receive after the end-disbursement date of the Trust Fund. In addition, the Donor hereby instructs the Bank to transfer to the Donor’s Balance Account, any funds under (iii) that may become available in the future.
(c) As of the Termination Date, the Donor shall have no further rights with respect to the Trust Fund including no rights to participate in any applicable governance arrangements of the Trust Fund, and the Bank shall have no further obligation to the Donor under the Contribution Agreement, including no obligation to provide financial or progress reports.

3. The Bank will disclose this letter agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. The Donor hereby consents to the disclosure of this letter and related information on this Trust Fund.

Please confirm your agreement to the foregoing, on behalf of the Donor, by signing, dating and returning to us the enclosed copy of this letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Josephine Bastinette
Acting Country Director, Indonesia

CONFIRMED AND AGREED:

KINGDOM OF DENMARK
DANISH INTERNATIONAL DEVELOPMENT AGENCY

By: [Signature]

Name: MARTIN BILLE HERMANN

Title: AMBASSADOR

Date: 8/5 2013