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SATU KÄHKÖNEN
Country Director, Indonesia and Timor-Leste

Letter No. CD/187/WB/IX/2020

August 28, 2020

Mr. Edwin Syahruzad
President Director
PT Sarana Multi Infrastruktur (Persero)
Sahid Sudirman Center, 47-48th Floor
Jl. Jend. Sudirman No. 86
Jakarta 10220, Indonesia

Dear Mr. Syahruzad,

Re: CTF Grant No. TF0B0968
CTF Contingent Recovery Grant No. TF0B0979
(Indonesia Geothermal Resource Risk Mitigation Project (under the Multiphase Programmatic Approach - Phase 1))
Additional Instructions: Disbursement and Financial Information Letter

I refer to the Clean Technology Fund Grant Agreement ("Agreement") between PT Sarana Multi Infrastruktur (Persero) (the "Recipient") and the International Bank for Reconstruction and Development (the "World Bank"), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund ("CTF"), for the above-referenced project, dated August 28, 2020. The Standard Conditions, as defined in the CTF Grant Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of CTF Grant No.TF0B0968 and CTF Contingent Recovery Grant No. TF0B0979 (collectively, "Grants"), and may set out Project specific financial reporting requirements. This letter ("Disbursement and Financial Information Letter"), as revised from time to time, constitutes such additional instructions.

I. Disbursement Arrangements and Withdrawal of Grants Funds

The *World Bank Disbursement Guidelines for Projects*, dated February 1, 2017, ("Disbursement Guidelines") are available in the World Bank's public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grants is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

(i) **Disbursement Arrangements**

The table in **Schedule 1** provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.

(ii) **Withdrawal of Grants Funds (Electronic Delivery)** Section 7.01 (c) of the Standard Conditions.

The Recipient will deliver Withdrawal Applications (with supporting documents) electronically through the World Bank's web-based portal "Client Connection" at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications have registered as users of "Client Connection". The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through "Client Connection". By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the World Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the World World Bank's public website at https://worldbank.org and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits. Section 2.07 (a) and (b) of the Standard Conditions.

(i) ***Financial Reports.***

The Recipient must prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports ("IFR") for the Project covering the quarter.

(ii) ***Audits.***

Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the World Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank's website (http://www.worldbank.org) and "Client Connection". The World Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grants, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

Satu Kahkonen
Country Director, Indonesia and Timor-Leste

Attachments

1. Form of Interim unaudited Financial Report (IFR)
2. Form of Authorized Signatory Letter

Cc with copies: PT Sarana Multi Infrastruktur Persero
Mr. Darwin T. Djajawinata
Director of Project Development and Advisory
Sahid Sudirman Center, 47th -48th Floor
Jl. Jend. Sudirman No. 86
Jakarta, Indonesia
darwin@ptsmi.co.id

Schedule 1 - Disbursement Provisions

Basic Information					
1) CTF Grant No. **2) CTF Contingent Recovery Grant No.**	1) TF0B0968 2) TF0B0979	**Country**	Republic of Indonesia	**Closing Date**	Section III.B.2 of Schedule 2 to the CTF Grant Agreement
		Recipient	PT Sarana Multi Infrastruktur (Persero)		
		Name of the Project	Indonesia Geothermal Resource Risk Mitigation Project under the Multiphase Programmatic Approach Phase 1	**Disbursement Deadline Date** *Subsection 3.7* **	Four (4) months after the closing date

Disbursement Methods, and Supporting Documentation		
Disbursement Methods *Section 2 (**)*	**Methods Available**	**Supporting Documentation** *Subsections 4.3 and 4.4 (**)*
Direct Payment	Yes	Copy of Records
Reimbursement	Yes	Interim unaudited Financial Report (Attachment 1)
Advance (into a Designated Account)	Yes	Interim unaudited Financial Report (Attachment 1)
Special Commitments	Yes	Copy of Letter of Credit

Designated Account (Section 5 and 6 **)			
Type	Pooled. Two (2) separate pooled designated accounts will be established as the following: 1. The first pooled designated account (DA-A) will be established under the Project and managed by PT Sarana Multi Infrastruktur (Persero) (PT SMI) for receipts of funds from CTF Contingent Recovery Grant; 2. A second pooled designated account (DA-B) will be established under the Project and managed by PT Sarana Multi Infrastruktur (Persero) (PT SMI) for receipts of funds from CTF Grant.	***Ceiling***	Variable
Financial Institution - Name	A commercial bank or financial institution acceptable to the World Bank.	***Currency***	USD
Frequency of Reporting, Subsection 6.3 (**)	Same as IFRs, i.e. Quarterly	**Amount**	Forecast of two (2) quarters

Minimum Value of Applications (subsection 3.5)
The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is USD 100,000 equivalent.
Authorized Signatures *(Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 2*
Please provide completed Authorized Signatory Letter to the address indicated below: The World Bank Office Jakarta (WBOJ) Indonesia Stock Exchange Building, Tower 2, 12th Floor JL. Jenderal Sudirman Kav. 52-53, Jakarta 12190, Indonesia Attention: Disbursement Team
Withdrawal and Documentation Applications *(Subsection 3.3 and 3.4 **)*
Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below: The World Bank 26th Floor, One Global Place 5th Avenue corner 25th Street, Bonifacio Global City Taguig City, Philippines Attention: Senior Regional Team Leader, WFACS
Other Disbursement Instructions
1. For purposes of withdrawal application and disbursements, actual financing percentage by CTF Grants and CTF Contingent Recovery Grant for the Project will be based on annual work plan ex ante approved by the Bank, further subject to quarterly updates of work plan reviewed and approved by the Bank. Such financing arrangement requirements will be detailed in the Project Operations Manual. 2. Two (2) pooled designated accounts will be established under the Project. The first pooled designated account (DA-A) in USD to be opened at a commercial bank or financial institution acceptable to the World Bank will be used for receipts of funds from IBRD loan, CTF loan, GCF loan, CTF Contingent Recovery Grant and GCF Reimbursable Grant; the second pooled designated account (DA-B) in USD to be opened at a commercial bank or financial institution acceptable to the World Bank will be used for receipts of funds from CTF grant, GCF grant and other recipient-executed trust funds under the Project.

** *Sections and subsections indicated relate to the* ***Disbursement Guidelines for Investment Project Financing dated February 2017.***

Attachment 2

Form of Authorized Signatory Letter
[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank Office Jakarta (WBOJ)
Indonesia Stock Exchange Building, Tower 2, 12th Floor
JL. Jenderal Sudirman Kav. 52-53, Jakarta 12190, Indonesia

Attention: [Country Director]

Dear [Country Director]:

Re: CTF Grant No. TF0B0968
CTF Contingent Recovery Grant No. TF0B0979
(Indonesia Geothermal Resource Risk Mitigation Project)

I refer to the Clean Technology Fund Grant Agreement ("Agreement") between PT Sarama Multi Infrastruktur (the "Recipient") and the International Bank for Reconstruction and Development (the "World Bank"), acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund ("CTF"), dated _____, providing the above Grants. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [[1]one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal and applications for a special commitment under the Grants.

For the purpose of delivering Applications to the World Bank, [2][each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting [3][individually] [4][jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

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[1] Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the World Bank.*

[2] Instruction to the Recipient: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the World Bank.*

[3] Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

[4] Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

[5][This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

_____

[Position]

[5] Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*