Global Environment Facility
Grant Agreement

(Coral Reef Rehabilitation and Management Program –
Coral Triangle Initiative (COREMAP-CTI) Project)

between

REPUBLIC OF INDONESIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

Dated MARCH 17, 2014
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated MARCH 17, 2014, entered into between:

REPUBLIC OF INDONESIA ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

Whereas the Recipient has requested the World Bank to provide additional financing towards the financing of the Project and, by an agreement of even date herewith between the Recipient and the World Bank (the "Loan Agreement"), the World Bank is agreeing to provide such assistance in an amount of forty seven million three hundred eighty thousand United States Dollars (US$47,380,000) (the "Loan").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to the Loan Agreement ("Project"). To this end, the Borrower shall carry out Parts 1.1, 1.3, 1.4, 2, 3 and 4 of the Project through MMAF and Part 1.2 of the Project through LIPI, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to the Loan Agreement.
2.03 Schedules 1, 2, 3, 4 and the Appendix to the Loan Agreement are incorporated to this Agreement, with the following modifications in said Schedules 1, 2, 3, 4 and said Appendix, unless the context otherwise requires:

(a) the term “Bank” shall be read as “World Bank”;

(b) the terms “Loan” and “Loan Account” shall be read as “Grant” and “Grant Account”;

(c) the term “this Agreement” shall be read as “the GEF Grant Agreement”; and

(d) the table in Section IV.A of Schedule 2 to the Loan Agreement shall be read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, Training and Workshops, Consultant Services, Goods, Incremental Operating Costs</td>
<td>10,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Grants</td>
<td>0</td>
<td>100% of Grant amount disbursed</td>
</tr>
<tr>
<td>(3) Scholarships</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Article III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to ten million United States Dollars ($10,000,000) (“Grant”) to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to the Loan Agreement.
3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following: the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Loan Agreement dated the same date as this Agreement, between the Recipient and the World Bank, providing a loan in support of the Project, has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matter: on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**

**Recipient’s Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

6.02. The recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
Directorate General of Debt Management  
Gedung Frans Seda  
Jl. DR. Wahidin Raya No. 1  
Jakarta 10710  
Indonesia

Cable: FINMINISTRY 45799  
Facsimile: 62-21-381-2859  
Jakarta

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391  
Washington, D.C.
AGreed at Jakarta, Republic of Indonesia, as of the day and year first above written.

REPUBLIC OF INDONESIA

By: [Signature]
Authorized Representative

Name: Robert Pakpahan
Title: Director General of Debt Management

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

By: [Signature]
Authorized Representative

Name: [Signature]
Title: Country Director