Mr. Robert Pakpahan  
Expert Staff of Minister of Finance on State Revenue  
with Full Mandate as Director General of Debt Management  
Ministry of Finance  
Gedung Frans Seda  
Jalan DR. Wahidin No. 1  
Jakarta 10710  
Indonesia

Dear Mr. Pakpahan:

Re: Republic of Indonesia: Disaster Management Fund (DMF) for Community-based Settlement Rehabilitation and Reconstruction Project in Central and West Java and Yogyakarta Special Region (DMF Grant No TF015476)  
Third Additional Financing

We refer to the grant agreement ("Grant Agreement"), dated February 6, 2007, as amended through March 1, 2011, between the Republic of Indonesia ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds under the Java Reconstruction Fund ("JRF") for the Community-based Settlement Rehabilitation and Reconstruction Project in Central and West Java and Yogyakarta Special Region (the "Original Project") (TF090014-IND). The Grant Agreement provided for a grant in the amount of thirty million United States dollars (U.S.$30,000,000) with the possibility of a subsequent additional grant of thirty million United States dollars (U.S.$30,000,000) which was duly provided by amendment on December 7, 2007. A first Additional Financing grant of six million four hundred twenty thousand United States dollars (U.S.$6,420,000) was provided on November 16, 2009, with the possibility of subsequent grant of five million two hundred thousand United States dollars (U.S.$5,200,000), which was duly provided by amendment on April 12, 2010. A second Additional Financing grant of one million seven hundred United States dollars (U.S.$1,700,000) was provided on March 1, 2011, with the possibility of subsequent grant of one million eight hundred thousand United States dollars (U.S.$1,800,000), which was duly provided by amendment on June 27, 2011. The total grant amount provided through March 1, 2011 was seventy five million one hundred twenty thousand United States dollars (U.S.$75,120,000).

The Recipient has requested the World Bank, acting as administrator of grant funds under the Disaster Management Fund ("DMF"), to provide additional financing in support of activities related to the Project. The World Bank has considered the request and proposes to extend to the Recipient, a grant in an amount not to exceed one million five hundred thousand United States Dollars (U.S.$1,500,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the scale-up of the project described in the Annex ("Project").
This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Joanne Bassinette
Acting Country Director. Indonesia

AGREED:

REPUBLIC OF INDONESIA

[Signature]

By: Robert Pakpahan
Name: Authorized Representative
Title: Expert Staff of Minister of Finance on State Revenue With Full Mandate as Director General of Debt Management
Date: October 1, 2013

Enclosures:
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
ANNEX

Article I
Standard Conditions; Definitions


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

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to assist in meeting the needs of Eligible Households for earthquake-resistant housing and priority investment in the Affected Areas.

The Project consists of the following parts:

Part A: Housing Reconstruction Support Sub-grants

Provision of Housing Reconstruction Sub-grants for the benefit of Eligible Households, using a community based approach, to facilitate the reconstruction of housing units, based on improved seismic standards, in selected Desa and Kelurahans.

Part B: Block Sub-grants for Priority Investments

1. Provision of Block Sub-grants to finance the rehabilitation and reconstruction of small-scale priority infrastructure and other related facilities and priority investments identified in the updated Community Settlement Plans, including transitional shelter needs, investments designed to improve community-level emergency preparedness, and disaster mitigation and recovery measures.

2. Provision of capacity building assistance to Local Governments in each Participating Desa, Participating Kelurahan and Participating Kota in support of the Project, including: (i) Community Settlement Plan approval and disaster risk reduction investment prioritization; (ii) inclusion of Community Settlement Plans in each Local Government's general planning framework; (iii) information management; (iv) land use planning and development control; and (v) strengthening the livelihood.

Part C: Community Education and Quality Assurance

1. Provision of technical advisory services, through the recruitment of housing task force teams, to: (i) oversee the implementation of the Project and supervise construction quality and design; (ii) strengthen capacity for management of the Project at the community-level, and (iii) organize training programs for the benefit of Eligible Households on technical aspects of housing design and construction, with particular emphasis on incorporating hazard-resistant design standards.
2. Provision of technical advisory services, through community facilitators to: (i) educate communities with Eligible Households about continuity of disaster preparedness and the importance of quality construction; (ii) build community capacity to operate and maintain assets created by the Project; (iii) facilitate community user contributions to be collected in sufficient amount to cover operational and maintenance expenses; and (iv) support communities in livelihood activities.

Part D: Project Implementation Support

1. Provision of technical advisory services, through the recruitment of a Project Management Team, to support the overall implementation, monitoring and evaluation of the Project.

2. Provision of technical advisory services to support: (i) the development and implementation of a public communications campaign strategy; (ii) the establishment of a management information system (MIS) to monitor progress, as well as a complaints handling mechanism; and (iii) the establishment and implementation of an internal and external monitoring and evaluation framework to maximize effectiveness, accountability and transparency during Project implementation.

3. Provision of technical assistance in conducting evaluation studies and assisting communities and Local Governments in livelihood activities.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Public Works, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements.

A. Institutional Arrangements

1. The Recipient shall maintain a Steering Committee, whose mandate, composition and terms of reference shall be satisfactory to the World Bank, to provide policy guidance and oversight on issues pertaining to or arising out of the Action Plan, and to provide inputs accordingly as required in the course of implementation of the Project.

2. The Recipient shall, through MPW:

   (a) maintain the Project Management Unit, whose mandate, composition and terms of reference shall be satisfactory to the World Bank, to be responsible for overall coordination of the management of the Project; and

   (b) strengthen, and thereafter maintain the PIU-MPW, whose mandate, composition and terms of reference shall be satisfactory to the World Bank, to be responsible for implementation of the Project at central government level, as well as the PIU-PP for each Participating Province, whose mandate, composition and terms of reference shall be satisfactory to the World Bank, to be responsible for implementation of the Project in each Participating Province; and
(c) ensure that:

(i) the Project Management Unit shall be headed at all times by a Project manager, whose qualifications and experience shall be acceptable to the World Bank, who shall be supported by the Project Management Team, and such other administrative, technical and financial personnel in adequate numbers and having the necessary qualifications and experience as shall be necessary to accomplish the objectives of the Project; and

(ii) acting under the authority of the Project Management Unit, the Project Management Team shall be assigned to provide support and technical advisory guidance to each PIU during implementation.

B. Implementation Obligations

1. The Recipient shall:

   (a) adopt the updated Project Operational Manual acceptable to the World Bank, giving details of: (i) implementation arrangements, (ii) procurement procedures as set forth in Section 2.07 of this Annex and standard procurement documentation, (iii) reporting requirements, financial management procedures and audit procedures as set forth in Section 2.06 of this Annex, (iv) project performance indicators as set forth in Section 2.05 of this Annex, (v) the Environmental and Social Safeguards Framework, (vi) criteria for the selection of Eligible Households and approval of Sub-projects, (vii) terms and conditions of Sub-grants as set forth in sub-paragraph C of this Section, and (viii) the Anti-Corruption Action Plan; and

   (b) implement the Project in accordance with the Project Operational Manual and, except as the World Bank shall otherwise agree, shall not amend or waive any provision thereof if, in the opinion of the World Bank, such amendment or waiver may materially and adversely affect the implementation of the Project.

2. For purposes of Parts A and B of the Project, the Recipient shall apply the proceeds of the Grant allocated to provide Sub-grants to finance Sub-projects in accordance with the guidelines and procedures set forth in the Project Operational Manual, as well as the additional terms and conditions set forth in sub-paragraph C of this Section.

3. Not later than November 30 of each year, beginning not later than November 30, 2013 and until completion of the Project, the Recipient shall furnish to the World Bank, for its review and comments, a proposed annual work plan, giving details of its proposed work plan and related budget for the following year, and proceed thereafter to carry out such work plan taking into account any comments which may have been provided thereon by the World Bank.

C. Terms and Conditions Governing Sub-grants

1. (a) For purposes of every Sub-grant, a Sub-project Implementation Agreement shall be entered into between the relevant PIU and the Beneficiary, setting forth the respective obligations of the parties thereunder, including: (i) the total amount of the Sub-grant and the purpose thereof; (ii) in the case of a Housing Reconstruction Sub-grant, the total number of housing units to be repaired or reconstructed, and details of
the Implementation Plans; (iii) details of the agreed disbursement schedule; (iv) procurement procedures consistent with the provisions of Section 2.07 of this Annex; (v) provisions for audits of the Sub-grant; (vi) environmental and social requirements consistent with the Environmental and Social Safeguards Framework, (vii) the amount of any required local counterpart contribution, whether in cash or in kind; and (viii) an undertaking on the part of the Beneficiary to execute the Sub-project with due diligence and efficiency and, upon its completion, to provide for any required maintenance of the Sub-project and otherwise ensure the continued achievement of the objectives of the Sub-grant.

(b) No Sub-project shall be eligible for financing out of the proceeds of a Sub-grant unless a Sub-project Implementation Agreement has been concluded to this effect on terms and conditions set forth in this Agreement and the Project Operational Manual.

2. No Sub-grant shall be made to finance expenditures involving or likely to involve: (a) a military or paramilitary purpose; (b) civil works for government administration or religious purposes; (c) the manufacture or use of tackle or dynamite; (d) the financing of government salaries; (e) the purchase of non-approved pesticides, ozone-depleting substances, or the use of pesticides or herbicides without an approved basic integrated pesticides management plan and monitoring procedures; (f) the manufacture or use of environmentally hazardous goods (including asbestos, pesticides and herbicides), arms or drugs; (g) the production, processing, handling, storage or sale of tobacco or products containing tobacco; (h) activities within a nature reserve or any other area designated by the Recipient for the management and/or the protection of biodiversity, except with the prior written approval of the Recipient's agency responsible for the management and/or protection of such area; (i) agricultural extensification into natural areas or activities with the potential for significant conversion or degradation of critical forest areas or related critical natural habitats; (j) mining or excavation of live coral; (k) water resources development on rivers which flow into or out of another country; (l) alterations to river courses; (m) land reclamation covering an area in excess of 50 hectares; (n) new irrigation schemes covering an area in excess of 50 hectares; (o) construction of water retaining or storage structures of a capacity greater than 10,000 cubic meters; (p) over-exploitation of water resources and/or contamination of domestic water supplies; or (q) the provision of goods, works or services, directly or through intermediaries, by suppliers or contractors, as the case may be, who have been declared ineligible to participate in the procurement of any World Bank-financed contract.

3. (a) Housing Reconstruction Sub-grants shall be made exclusively to one or more KPs to finance housing reconstruction activities for the benefit of Eligible Households belonging to KPs in Participating Desas and Participating Kelurahans, and in accordance with the relevant Implementation Plans.

(b) The amount of each Housing Reconstruction Sub-grant shall be calculated taking into account the number of Eligible Households involved, the number of housing units to be repaired or reconstructed, and a uniform maximum value attached to each housing repair or reconstruction activity, as the case may be.
(c) Housing Reconstruction Sub-grants will be disbursed in tranches, in accordance with the disbursement schedule set forth in the relevant Sub-project Implementation Agreement, with the first tranche payable upon signature of the Sub-project Implementation Agreement, and subsequent tranches payable upon demonstrated evidence of progress in the implementation of the relevant Implementation Plans.

4. Block Sub-grants shall be provided exclusively to community groups to finance (a) the rehabilitation of small-scale priority infrastructure in accordance with the relevant Community Settlement Plan, including transitional shelters, investments designed to improve community-level emergency preparedness, and disaster mitigation and community recovery measures, as well as other facilities and utilities required to enhance the effectiveness of the Housing Reconstruction Sub-grants; and (b) other priority investments for recovery, including investments in communal facilities that support livelihood, all to be selected in accordance with the updated Community Settlement Plans.

D. Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Environmental and Social Safeguards Framework and any Environmental Management Plans, and, except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive, or permit to be assigned, amended, abrogated or waived, said instruments or any provision thereof.

2. In the event of a conflict between the provisions of either the Environmental and Social Safeguards Framework or any Environmental Management Plan and those of this Agreement, the latter shall govern.

3. The Recipient shall, for the purposes of each Sub-project, and prior to the award of a contract for the implementation thereof, carry out a screening of the Sub-projects for any potential environmental impacts and have any Environmental Management Plan required under the Environmental and Social Safeguards Framework:

   (a) updated, if necessary, in accordance with the provisions of the Environmental and Social Safeguards Framework, on the basis of the Environmental Management Plan template included in said Framework, and in form and substance satisfactory to the Recipient and the World Bank; and

   (b) adopted and locally disclosed.

4. The Recipient shall ensure that any contract for works under a Sub-project includes the obligation of the respective contractor to implement the Environmental and Social Safeguards Framework and any Environmental Management Plan.

5. In carrying out the Sub-projects, the Recipient shall:

   (a) ensure that the Sub-grant proceeds shall not be used to finance the acquisition of land;

   (b) take measures to avoid or minimize the acquisition of land or assets of villagers, and to avoid the displacement of such villagers:
(c) where the acquisition of land or assets, or the displacement of people is unavoidable under a proposed Sub-project, ensure that the Beneficiary shall, before carrying out the works which would result in such acquisition or displacement, provide to such people, adequate compensation, and other resettlement and rehabilitation benefits, in accordance with the Land Acquisition and Resettlement Policy Framework; and

(d) in the case of the physical displacement of persons involving the loss of more than ten percent (10%) of their productive assets or the displacement of more than two hundred (200) people as a result of a Sub-project, ensure that:

(i) a land acquisition and resettlement action plan shall be prepared in accordance with Land Acquisition and Resettlement Policy Framework, and furnished to the World Bank for approval; and

(ii) prior to the carrying out of the Sub-project, ensure that all Displaced Persons shall have been compensated and provided with applicable resettlement and rehabilitation benefits in accordance with the provisions of such land acquisition and resettlement action plan.

6. Without limitation upon its other reporting obligations under Section 2.05 of this Annex, the Recipient shall cause the Project Management Unit to collect and submit quarterly consolidated reports on compliance with Environmental and Social Safeguards Framework, giving details of measures taken in furtherance of the Environmental and Social Safeguards Framework, conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Environmental and Social Safeguards Framework, and remedial measures taken or required to be taken to address such conditions.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor(s) to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the Recipient and the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.
2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement**

(a) **General.** All goods, works, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World 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.

(c) **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding subject to the additional procedures in the Attachment to this Annex; (B) Shopping; (C) Direct Contracting; and (D) Community Participation procedures which have been found acceptable to the World Bank.
(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Housing Reconstruction Sub-grants under Part A of the Project</td>
<td>310,000</td>
<td>100% of Sub-grant amount disbursed</td>
</tr>
<tr>
<td>(2) Block Sub-grants under Part B of the Project</td>
<td>815,000</td>
<td>100% of Sub-grant amount disbursed</td>
</tr>
<tr>
<td>(3) Consultants’ Services under Parts C of the Project</td>
<td>165,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Consultants’ Services under Parts D of the Project</td>
<td>210,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td><strong>1,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. The Closing Date referred to in Section 3.06 of the Standard Conditions is November 30, 2014.

**Article IV**

**Recipient’s Representative; Addresses**

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

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
c/o Director General of Debt Management  
Gedung Frans Seda  
Jalan DR. Wahidin Raya No. 1  
Jakarta 10710  
Indonesia

Cable address:  Facsimile:

FINMINISTRY  45799  (62-21) 381 2859
Jakarta

4.03. **World Bank’s Address.** 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:  Telex:  Facsimile:

INTBAFRAD  248423 (MCI) or  1-202-477-6391  
Washington, D.C.  64145 (MCI)
Attachment to the Annex

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 Recipient’s Presidential Regulation No. 54/2010 as amended through July 31, 2012, including amendments set forth in Presidential Regulation No. 70/2012, 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 Recipient’s procedures and these modifications, the latter shall govern.

1. Procuring entities shall use the appropriate standard bidding documents acceptable to the Recipient and the Bank. The provisions of Section 1.16 (Fraud and Corruption) of the Procurement Guidelines shall apply, and each bidding document and contract financed out of the proceeds of the Grant shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of said Guidelines and the contract provisions set out in paragraph 1.16(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 Recipient or sub-borrower.
Appendix

Definitions


2. "Affected Areas" means Central Java and Yogyakarta Special Region.

3. "Anti-Corruption Action Plan" means a stand-alone chapter of the Project Operational Manual exclusively dedicated to the Recipient's anti-corruption action plan, 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 complaint handling mechanism, and an appropriate regime of sanctions and remedies.

4. "Beneficiary" means the party to a Sub-project Implementation Agreement who is the Beneficiary of a Sub-grant.

5. "Block Sub-grant" means a block sub-grant made or to be made out of the proceeds of the Grant to finance one or more Sub-projects under Part B of the Project.

6. "Community Settlement Plan" or "CSP" means a Community Settlement Plan developed by the community in consultation with the population of Affected Areas, and updated for the purpose of this Additional Financing.

7. "Desa" means a village in the Recipient's territory.

8. "Displaced Person" means a person who, on account of the execution 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 "Displaced Persons" means, collectively, all such Displaced Persons.

9. "Eligible Household" means a household who is declared eligible, having regard to the eligibility criteria set forth in the Project Operational Manual, to share in the benefits of a Housing reconstruction Sub-grant.

10. "Environmental and Social Safeguards Framework" means the Recipient's Environmental and Social Safeguards Framework, dated November 7, 2006 and updated on March 1, 2011, consisting of the Environmental Management Framework, and the Social Safeguard and Resettlement Policy Framework, along with details of disclosure requirements and grievance redress mechanisms, and provisions designed to promote transparency and facilitate the full participation of stakeholders in the implementation of the Environmental and Social Safeguards Framework, as such framework maybe amended from time to time with the prior agreement of the Association.
11. "Environmental Management Framework" means the Environmental Management Framework, dated November 7, 2006 and updated on March 1, 2011, setting forth a framework of actions, measures and policies designed to eliminate or offset adverse environmental impacts, both direct and indirect, in the design and implementation of Sub-projects and, if such impacts are unavoidable, to manage or mitigate such impacts, including appropriate standards and codes of practice, as well as measures designed to protect and preserve local forest resources.

12. “Environmental Management Plans” means the plans to be prepared for the purpose of the Project and Sub-projects as specified in the Project Operations Manual, and in accordance with the provisions of the Environmental Management Framework, agreed with the World Bank, and such term includes any schedules or annexes to such plans.

13. "Housing Reconstruction Sub-grant" means a Housing Reconstruction Sub-grant made or to be made out of the proceeds of the Grant to finance one or more Sub-projects under Part A of the Project.

14. "Implementation Plan" means an implementation plan developed pursuant, dated July 4, 2013, to guide the implementation plan of housing construction and infrastructure activities, and facilitate the implementation and monitoring of a Housing Reconstruction Sub-grant and Infrastructure.

15. "Kabupaten" means a district, an administrative division of the Recipient.

16. "Kecamatan" means an administrative sub-district of a Kabupaten.

17. "Kelurahan" means an urban section of a Kecamatan.

18. "Kota" means a municipality, an administrative division within a province of the Recipient.

19. "KP" means Kelompok Pemukim, a group of Eligible Households constituted pursuant to Part C of the Project to coordinate housing reconstruction activities under the Project and to receive and implement Housing Reconstruction Sub-grants.

20. "MPW" or “Ministry of Public Works” means the ministry responsible for public works, or any successor thereto.

21. "Participating Desa" means a Desa participating in the Project.

22. "Participating Kelurahan" means a Kelurahan participating in the Project.

23. "Participating Kota" means a Kota participating in the Project.

24. "Participating Province" means any one or more of the Provinces of Yogyakarta, Central Java and West Java.

25. “Project Management Team” means the team established under the Project responsible for overseeing the overall Project, or any successor thereof.
26. "Project Management Unit" means the unit established by MPW and responsible for coordinating with the provincial and district governments on Project implementation matters, and supported by the Project Management Team.

27. "Project Operations Manual" means the manual dated May 9, 2011, and referred to in Section 2.03.B.1(a) of the Annex to this Agreement.

28. "PIU" means Project Implementation Unit-MPW or PIU-PP, as the case may be.

29. "PIU-MPW" means the PIU established within the Ministry of Public Works.

30. "PIU-PP" means the PIUs established within the Project Provinces.

31. "Social Safeguard and Resettlement Policy Framework" means the Recipient’s Social Safeguard and Resettlement Policy Framework, setting forth a framework of actions, measures and policies designed to avoid or minimize any adverse impact or hardship to Displaced Persons as a result of the Project or, if such adverse impact or hardship cannot be avoided altogether, provide for the compensation, rehabilitation and resettlement of such Displaced Persons.

32. "Steering Committee" means the national-level oversight committee of Yogyakarta and Central Java reconstruction post disaster with representatives of relevant ministries and donors.

33. "Sub-grant" means a Housing Reconstruction Sub-grant or a Block Sub-grant, as the case may be.

34. "Sub-project" means any investment activity referred to under Part A or Part B of the Project, and to be financed by a Sub-grant.

35. "Sub-project Implementation Agreement" means the agreement to be entered into between the relevant PIU and the Beneficiary in accordance with Section 2.03.C.1 of the Annex to this Agreement.