Mr. Marwanto Harjowiryono  
Director General of Treasury  
Ministry of Finance  
Gd. Prijadi Praptosuhardjo I, 2nd Floor  
Jl. Lapangan Banteng Timur No. 2-4  
Jakarta Pusat

Mr. Harjowiryono:

Re: IBRD Loan No. 8873-ID  
(Indonesia Supporting Primary Health Care Reform (I-SPHERE) Program / Indonesia  
Supporting Primary and Referral Health Care Reform (I-SPHERE) Program)  
Additional Instructions: Disbursement and Financial Information Letter

I refer to the Loan Agreement between the Republic of Indonesia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) for the above-referenced Program. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”), and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

(i) Schedule 1. The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, conditions, information on registration of authorized signatures, processing of withdrawal applications (including processing of advances), instructions on documentation, and reporting of advances.

(ii) Withdrawal Applications. Applications for withdrawal from the Loan Account (“Withdrawal Applications”) of amounts of the Loan allocated to individual Disbursement Linked Results (“DLR”) may, pursuant to the provisions of Section IV.A.2 of Schedule 2 to the Loan Agreement, be sent to the Bank at any time after the Bank has notified the Borrower in writing that it has accepted evidence of achievement of the specific DLR.
(iii) **Withdrawal Amount.** The Withdrawal Application may be for an amount not to exceed the amount of the Loan confirmed by the Bank for the specific DLR in respect of which the withdrawal is requested, as specified in the Bank’s notice to the Borrower.

(iv) **Advances and Recovery of Advances.** The Borrower may, in accordance with provisions of the Loan Agreement, request advances of amounts of the Loan allocated to DLRs that have not yet been achieved using the Form attached (Attachment 1). The aggregated amount of all such advances made in respect of amounts allocated to DLRs may not exceed the equivalent of USD37,500,000.

The Bank records an amount of the advance as disbursed for an achieved DLR (“recovered”) after it has notified the Borrower of its acceptance of the evidence of achievement of the DLR for which the advance was provided. The amount so reclassified becomes available for further advances in accordance with the preceding paragraph.

(v) **Electronic Delivery.** Section 10.01 (c) of the General Conditions.

The Bank may permit the Borrower to electronically applications (with supporting documents) through the World Bank’s web-based portal (https://clientconnection.worldbank.org) “Client Connection”. This option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Borrower may continue to exercise the option of preparing and delivering Applications in paper form.

The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower 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 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 5.09 of the General Conditions.

**Audits.** Each audit of the Financial Statements must cover the period of January 1 to December 31, 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 Bank not later than nine (9) 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 Bank’s website (http://www.worldbank.org/) and “Client Connection”. The 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 Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the Bank by email at clientconnection@worldbank.org.
If you have any queries in relation to the above, please contact Chau-Ching Shen, Senior Finance Officer at WFALN MANILA@worldbank.org or the Disbursement Team in WBOI using the above reference.

Yours sincerely,

[Signature]

Rodrigo A. Chaves
Country Director, Indonesia and Timor-Leste

Attachments
1. Sample Form for Advances
Schedule 1: Disbursement Provisions

**Basic Information**

<table>
<thead>
<tr>
<th>IBRD Loan Number</th>
<th>Country</th>
<th>Republic of Indonesia</th>
<th>Closing Date</th>
<th>Section IV.B.4 of Schedule 2 to the Loan Agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Borrower</td>
<td>Republic of Indonesia</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Name of the Program</td>
<td>Indonesia Supporting Primary Health Care Reform (I-SPHERE) Program</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursement Methods</th>
<th>Methods</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement (financing of achieved results)</td>
<td>Yes</td>
<td>Confirmation issued by the Bank</td>
</tr>
<tr>
<td>Advance</td>
<td>Yes</td>
<td>Request in the format provided in Attachment I to the DFIL</td>
</tr>
</tbody>
</table>

**Financial Institution**

Financial Institution - Name

To be communicated by the Borrower by Program effectiveness

**Authorized Signatures**

Applications for this Loan will be signed by the officials authorized to sign Applications as indicated in the Ministry of Finance Letter No. S-3571/PB/2016 dated April 27, 2016. Please notify the Bank promptly should there be any change in the authorized officials in this regard.

**Withdrawal and Documentation Applications**

Please provide completed and signed applications for withdrawal, together with supporting documents, 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

**Additional Information**

All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
Sample Form for Advances

[Ministry/Implementing Agency Letterhead]

[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: Disbursement Team

Subject: Re: IBRD Loan ––
(Indonesia Supporting Primary Health Care Reform (I-SPHERE) Program)
Request for Advance

Dear Sir/Madam,

We refer to the Loan Agreement between the Republic of Indonesia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) dated [insert date] providing for the above Loan.

In accordance with the provisions of the Disbursement Letter and Schedule 2, Section IV of the Loan Agreement, to support the implementation of the above Program and to facilitate the achievement of the planned results, we request an Advance in the amount of [insert amount].

[We request that the Advance be disbursed in [currency requested for disbursement] equivalent to the Total Advance Requested above.] We acknowledge that the amount disbursed will be charged to the Loan Account in the currency of the Financing at the rate of exchange in effect at the time of disbursement.

Sincerely,

[insert Name, and Position]

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1 The Proposed Advance should be in the currency of the DLI/DLR as set out in the disbursement table in the Loan Agreement, and in accordance with provisions in the Disbursement and Financial Information Letter. Normally, this is the currency of commitment of the loan.

2 Use this text to designate the currency of the Advance if it should be different from the currency set out in the disbursement table in the Loan Agreement.

3 To be signed by a representative of the implementing/coordinating agency of the Borrower, OR by the person(s) authorized on behalf of the Borrower to sign applications for withdrawal under the loan as set out in the applicable Authorized Signatory Letter.