



Letter No. CD-038/USDRP/2/2011

February 14, 2011

Mr. Maurin Sitorus  
Director of Funds  
Directorate General of Debt Management  
Ministry of Finance  
Jakarta Pusat, Indonesia

***Subject: Urban Sector Development Reform Project (USDRP), LN 7760-ID  
Partial Loan Cancellation and Reallocation***

Dear Mr. Sitorus,

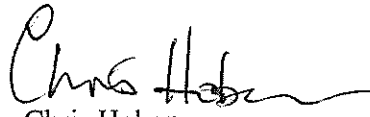
Pursuant to your request, dated December 16, 2010 (received by the World Bank on December 17, 2010) and pursuant to Section 6.01 of the General Conditions, the World Bank hereby cancels, as of December 17, 2010, the amount equal to six million five hundred sixty-five thousand United States dollars (US\$6,565,000) from the loan and the commitment charges on such amount cease to accrue from December 17, 2010.

Schedule 3 to the Loan Agreement (Amortization Schedule), is being revised by the Bank as a result of the cancellation, and the revised figures will be sent to you shortly.

The table in paragraph 1 of Section A of Schedule 1 to the Loan Agreement, is amended as set out below to reflect the partial cancellation of the Loan and the reallocation of proceeds of the Loan pursuant to your request, dated December 16, 2010.

Category	Amount of Loan Allocated (Expressed in US Dollars)	% of Expenditures to be Financed
(1) Sub project loans	33,710,000	100% of Subproject amount disbursed
(2) Consultants' Services, Training and Workshops	4,450,000	100%
(3) Front-end Fee	225,000	Amount due under Section 2.04 of the Loan Agreement
(4) Unallocated	50,000	
<b>TOTAL</b>	<b>38,435,000</b>	

Sincerely yours,



Chris Hoban

Acting Country Director, Indonesia

cc:

- Mr. Rahmat Waluyanto, Director General of Debt Management, Ministry of Finance
- Mr. Wismana Adi Suryabarata, Deputy for Development Funding, BAPPENAS
- Mr. Max H. Pohan, Deputy for Regional Development and Local Autonomy, BAPPENAS
- Mrs. Hayu Parasati, Director of Urban and Rural Development, BAPPENAS
- Mr. Antonius Budiono, Director of Program Development, Directorate General for Human Settlements, Ministry of Public Works
- Mr. Dwityo Akoro, Head of Central Project Management Unit (CPMU) of USDRP