

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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December 12, 2012

Agus Wibowo
Official in Charge of Making Commitments
Deputyship for Energy, Minerals Resources and Forestry
Coordinating Ministry for Economic Affairs
Gedung AA Maramis II
Floor 5
Jl. Lapangan Banteng 2-4
Jakarta
INDONESIA

Dear Pak Agus,

We refer to your letter dated November 30, 2012 (ref. No. : S- 25/PPK/EITI.M.EKON/11/2012), which we received on December 5, 2012, submitting for the Bank's prior review the result of evaluation of proposals and draft negotiated contract for EITI reconciler under the method Selection Based on Consultants' Qualifications (CQS). Based on the information provided the Bank has no objection to your signing the contract with KAP Gideon Ikhwan Sofwan for a contract ceiling amount not exceeding IDR 1,655,252,000 subject to incorporation of the following changes in the draft contract before signing.

I. Cover of the Contract:

- Please insert the contract number and date

II. Form of Contract

- Please delete the sentence "(Text in brackets [] is optional; all notes should be deleted in the final text)"
- In first paragraph please delete the names of authorized persons representing the Client ("Agus Wibowo, Project Officer (P2K)") and the Consultant ("Ade Ikhwan"), and replace with the relevant name of the institutions for each of the parties. In addition, please insert the actual date of signing of the contract.

III. Special Condition of Contract

- Please delete the sentence " *[Notes in brackets are for guidance purposes only and should be deleted in the final text of the signed contract]*"
- Clause 13.1, it appears from the contract and TOR, the expected commencement of services is not consistent with the duration of services. Please revise the number of days required for the Consultant to confirm availability of key experts to begin carrying out the services.

- Clause 23.1 (b) (ii), please insert the appropriate applicable law consistent with the applicable law stated in Clause SCC 1.1 (b). Please also delete all texts in italic specified in this Clause.
- Clause 38.1, Please delete the sentence "The Contract price is: IDR Rp.1.655.252.000,- of local indirect taxes." and replace with "The Contract price is: IDR 1,655,252,000.". Please be advised that it is not clear if the contract includes taxes, as Clauses SCC 39.1, SCC 39.2 and Appendix C-Breakdown of Contract Price indicate exemption of taxes, while it appears from the minutes of negotiation the negotiated price has included taxes. Accordingly, please reconcile the taxes and make it consistent throughout the document.
- Clause 41.2.4, Please delete the sentence "for foreign currency: IDR" and replace with the sentence "for foreign currency: N/A" and also insert the details of the Consultant's account after the sentence "for local currency:"

IV. Appendix C- Breakdown of Contract Price

- Please delete the sentence "Indirect local tax estimates-to be discussed and finalized at the negotiations if the Contract is awarded" so as to be consistent with the relevant provisions on taxes specified in Clauses SCC 39.1 and 39.2.

Please publish the award details in accordance with paragraph 7 of Appendix 1 of the Bank's Consultant Guidelines.

Please send for the Bank's record, a copy of the signed contract as soon as it has been signed by both Parties.

Sincerely,



Frederic Cegarra Escolano
Task Team Leader, EITI Indonesia
SEGOM