



Banda Aceh, November 11th, 2005

No : 1710/BRR.3/XI/2005

United Diversity
Wisma Hayam Wuruk, Lt. 14, 8
Jl, Hayam Wuruk, Jakarta 10210

Project Reference Code : Infra 0190 IN

Dear Mr Frans Sugiarta,

Thank you for your recent submittal of a project concept note for the project titled **Sirombu Village House and Boat Project** to the Rehabilitation and Reconstruction Executing Agency of the Province of Nanggroe Aceh Darussalam and Nias the Province of North Sumatra ("BRR").

The BRR is the central agency of the Republic of Indonesia authorized to oversee the rehabilitation and reconstruction of the Province of Nanggroe Aceh Darussalam ("Aceh") and Nias, the Province of North Sumatera ("Nias"), including approval of all projects relating to the rehabilitation and reconstruction of Aceh and Nias.

We are pleased to inform you that the BRR has reviewed your project and has approved your project for immediate execution. If your organization faces challenges or problems related to implementation, the BRR is ready to assist you in resolving such challenges or problems.

It is our regulatory duties to make sure that all parties involved in the Aceh and Nias rehabilitation and reconstruction shall use the highest professional standards including transparent procurement, implementation and monitoring procedures and mechanisms, and strong anti-corruption mechanisms in such parties' interactions with all stakeholders. The approval granted to your project shall be on conditions that your organization shall comply with such requirements, and shall cause your employees, agents, consultants, contractors, representatives and anyone under your control to do the same.

In line with the above, the approval is also granted on further conditions: (i) your organization agrees to sign the enclosed Anti-Corruption Declaration, and (ii) your organization shall indemnify and hold BRR, its management, employees and consultants from any payment of compensation, damages and costs or reimbursements payable as a result of any claim, law suit or dispute settlement or resolution between your organization and any parties in connection with the creation and implementation of your project. Our approval of your project shall not be deemed to create any such liabilities.

As you may be aware, there has been an extraordinary outpouring of interest in support of the rehabilitation and reconstruction of Aceh and Nias. To reduce as far as possible the potential for conflict or overlap between program and project activities as they

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unfold, we would recommend that you complete the attached form (Form - Project Status) and return to us. This form will assist us in mapping out where activities are ongoing or scheduled to commence and other areas where additional support is still needed. We would also recommend that you keep us updated with your program as it evolves and also take an active role in sharing information from relevant organizations, using the above-mentioned form as the feedback channel to BRR.

If your organization is involved in a dispute or disagreement in implementing your project, we encourage you to settle it through a mediation process, and failing to do so, through an arbitration mechanism, which will be set up in the near future to settle any and all disputes relating to the rehabilitation and reconstruction of Aceh and Nias.

If you have any questions, please contact Deputy Housing, Infrastructure and Land at eddy@brr.go.id or epoe95@yahoo.com.

Thank you for your kindness and generosity in helping the people of Aceh and Nias rebuild their communities and lives. We look forward to working with you.

Sincerely,
On behalf of the Head of BRR NAD-Nias,
Sector Deputy Housing, Infrastructure and Land

Eddy Purwanto