

USAID Grant Agreement NO. 497-018

AMENDMENT NO. 2
STRATEGIC OBJECTIVE GRANT AGREEMENT
BETWEEN THE
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
TO SUPPORT
IMPROVED QUALITY OF DECENTRALIZED BASIC EDUCATION
IN
INDONESIA

Date: August 29, 2006

Dated: August 29, 2006

This AMENDMENT No. 2 is entered into by and between the Government of the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("USAID") and the Government of REPUBLIC OF INDONESIA, acting through the Coordinating Ministry of People's Welfare ("Grantee").

WHEREAS, the Grantee and USAID (the "Parties") entered into a Strategic Objective Grant Agreement (SOAg) for Improved Quality of Decentralized Basic Education in Indonesia on August 30, 2004, which was amended on July 8, 2005 whereby USAID granted to the Grantee up to Forty One Million Two Hundred Seventy Six Thousand Seven Hundred Fifty Eight United States (U.S.) Dollars (\$41,276,758.00).

WHEREAS, the Parties desire to amend the Grant Agreement to provide an additional increment of USAID grant financing in the amount of Twenty Six Million Eight Hundred Sixty Three Thousand Three Hundred Fifty Two United States (U.S.) Dollars (\$26,863,352.00) and make related changes in the Budget Summary to the Grant Agreement.

NOW, THEREFORE, the Grantee and USAID hereby agree to amend the Grant Agreement as amended as follows:

1. Article 3: Section 3.1 (a) of the Grant Agreement is revised to increase the total obligated amount of \$41,276,758.00 by a new increment of \$26,863,352.00 the first sentence of Section 3.1(a) is amended and restated in its entirety to read:

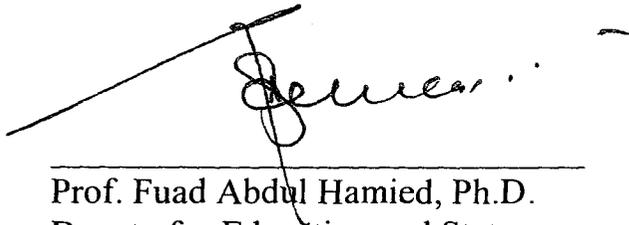
“To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance act of 1961, as amended, and in accordance with the budget contained in Annex 1, hereby grants to the Grantee under the terms of the Agreement up to Sixty Eight Million One Hundred Forty Thousand One Hundred and Ten United States (“U.S.”) Dollars (\$68,140,110.00) (the “Grant”).

2. In order to reflect the increase in USAID grant funding made hereinabove, the financial plan is amended and restated its entirety to read in the form of the Revised Budget Summary attached hereto as Attachment 1 to this SOAg Amendment No.2.

3. Except as amended herein, the terms and conditions of the Grant Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantee and USAID, each acting through its duly authorized representative, have caused this Amendment No.2 to be signed in their names and delivered as of the day and year first above written.

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA



Prof. Fuad Abdul Hamied, Ph.D.
Deputy for Education and State
Administration, Coordinating
Ministry for People's Welfare

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA



William M. Frej
Mission Director to Indonesia
United States Agency for
International Development

Improved Quality of Decentralized Basic Education in Indonesia, SO-18
FY 2004 - FY 2009
Revised Budget Summary (August 2006)

Components	USAID				
	Total Previously Obligated under this SOAG FY 2004 - FY2005	Obligation under this SOAG Amendment #2 FY 2006	Total Obligation to date under this SOAG, including Amendments	Future Obligation Under SOAG Amendments FY 2006 - 2009 **	Life of Strategic Objective Activities Funding under this SOAG
	(A)	(B)	(C) = (A)+(B)	(D)	(E) = (C) + (D)
1. Program Implementation Activities: * Managing Basic Education * More Effective Decentralized Education Mgt. in Indonesia * Improved Quality of Teaching and Learning * Greater Education Relevance to Life & Employment Skills for Formal and Non-Formal Junior High School Programs.	38,801,758	26,863,352	65,665,110	60,610,890	126,276,000
2. Administrative and Program Support * Evaluation and Audit * Staffing & Logistics for Administrative Support	2,475,000	0	2,475,000	4,249,000	6,724,000
Strategic Objective Agreement Total	41,276,758	26,863,352	68,140,110	64,859,890	133,000,000

- Notes: 1. ** Subject to the availability of funds.
 2. The GOI has agreed, pursuant to Section 3.2, to provide contribution on an in-kind basis and report on that contributions on an annual basis.
 3. USAID anticipates providing up to \$24 million in additional support for this SOAG through the U.S. Embassy Public Affairs Section in FY-2004-2009.