

USAID Grant Agreement NO. 497-018

AMENDMENT NO. 1

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: July 8, 2005

Dated: July 8, 2005

This AMENDMENT No 1 is entered into by and between the Government of the REPUBLIC OF INDONESIA, acting through the Coordinating Ministry of People's Welfare ("Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("USAID").

WHEREAS, the Grantee and USAID (the "Parties") entered into a Strategic Objective Grant Agreement for Improved Quality of Decentralized Basic Education in Indonesia on August 30, 2004, whereby USAID granted to the Grantee an amount not to exceed Eighteen Million Seven Hundred and Ninety Nine Thousand, Nine Hundred and Nineteen U.S. Dollars (\$18,799,919).

WHEREAS, the Parties desire to amend the Grant Agreement to provide a new increment of USAID grant financing in the amount of **\$22,476,839** 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. In order to increase the amount of the current Grant of \$18,799,919 by a new increment of **\$22,476,839**, the first sentence of Section 3.1(a) (The Grant: Current Increment) 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, hereby grants to the Grantee under the term of the Agreement an amount not to exceed – **Forty One Million Two Hundred Seventy Six Thousand Seven Hundred Fifty Eight United States Dollars (\$41,276,758)**”

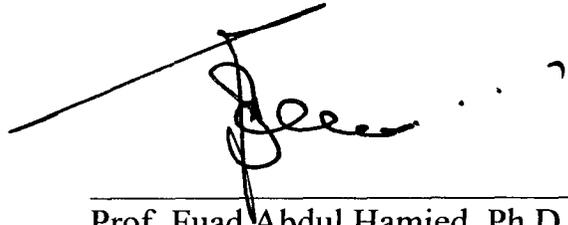
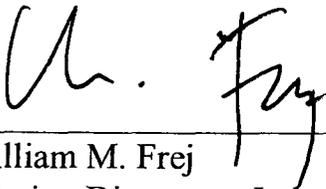
2. In order to reflect the increase in USAID grant funding made hereinabove, the financial plan is amended and restated its entirety to read in the form of the Revised Budget Summary (**May 2005**) attached hereto as Attachment 1.

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. 1 to be signed in their names and delivered as of the day and year first above written.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA

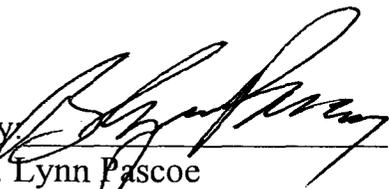
FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA

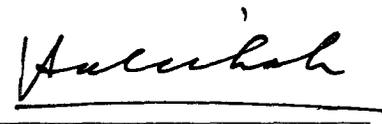


William M. Frej
Mission Director to Indonesia
United States Agency for
International Development

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

WITNESSED

By: 
B. Lynn Pascoe
United States Ambassador to Indonesia

By: 
Dr. Alwi Shihab
Coordinating Minister for
People's Welfare

Improved Quality of Decentralized Basic Education in Indonesia, SO-18
FY 2004 - FY 2009
Revised Budget Summary (May 2005)

Components	USAID				
	Total Previously Obligated under this SOAG FY 2004	Obligation under this SOAG Amendment #1 FY 2005	Total Obligation to date under this SOAG, including Amendment #1	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.	17,824,919	20,976,839	38,801,758	87,474,242	126,276,000
2. Administrative and Program Support * Evaluation and Audit * Staffing & Logistics for Administrative Support	975,000	1,500,000	2,475,000	4,249,000	6,724,000
Strategic Objective Agreement Total	18,799,919	22,476,839	41,276,758	91,723,242	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.