# MODIFICATION OF ASSISTANCE

<table>
<thead>
<tr>
<th>1. MODIFICATION NUMBER</th>
<th>2. EFFECTIVE DATE OF MODIFICATION</th>
<th>3. AWARD NUMBER: 497-G-00-10-00028-00 (AID-497-G-10-00002)</th>
<th>4. EFFECTIVE DATE OF AWARD: September 30, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>See Signature Block</td>
<td></td>
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</tr>
</tbody>
</table>

## 5. GRANTEE:
The World Bank
The International Bank for Reconstruction and Development
Indonesia Stock Exchange Building, Tower 2
Jl. Jenderal Sudirman Kav. 52-53
Jakarta, 12190 Indonesia

## 6. ADMINISTERED BY:
Office of Acquisition and Assistance
USAID/Indonesia
American Embassy Annex Jakarta
Gedung Sarana Jaya, 15th Floor
Jl. Budi Kemuliaan I/1
Jakarta 10110, Indonesia

## 7. FISCAL DATA:

<table>
<thead>
<tr>
<th>Budget Fiscal Year</th>
<th>Operating Unit</th>
<th>Strategic Objective</th>
<th>Team/Division</th>
<th>Benefiting Geo Area</th>
<th>Object Class</th>
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<tr>
<td></td>
<td>INDONESIA</td>
<td></td>
<td>DRG</td>
<td>497</td>
<td></td>
</tr>
</tbody>
</table>

## 8. TECHNICAL OFFICE:
DRG Office

## 9. PAYMENT OFFICE:
Financial Management Office (FMO)
USAID/Indonesia
American Embassy Jakarta
Jl. Medan Merdeka Selatan 5-5
Jakarta 10110, Indonesia

## 10. FUNDING SUMMARY:

<table>
<thead>
<tr>
<th>Amount Prior to this Modification:</th>
<th>$94,361,258.94</th>
<th>Total Estimated Amount:</th>
<th>$94,700,000.00</th>
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<tbody>
<tr>
<td>Change Made by this Modification:</td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>New/Current Total:</td>
<td>$94,361,258.94</td>
<td>$94,700,000.00</td>
<td></td>
</tr>
</tbody>
</table>

## 11. DESCRIPTION OF MODIFICATION:
The purpose of this modification is to:

1. Revise the expiration date of the Grant from June 15, 2017 to June 15, 2020 with no increase in the total estimated amount.
2. Revise the project title from previously named as “National Program for Community Empowerment (PNPM) Support Facility (PSF) Trust Fund” to “Local Service Delivery (LSD) Trust Fund”.
3. Revise Attachment 1 - Schedule and Attachment 2 – Program Description to include the approved activities funded under the facility through the new completion date of the program. These activities are still within the scope of current approved Program Description.
4. Revise the designated AOR and Alternate AOR.

Accordingly, the Grant is modified as follows:

[Continuation – Page 2]

## 12. THIS MODIFICATION IS ENTERED INTO PURSUANT TO THE AUTHORITY OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED. ALL TERMS AND CONDITIONS OF THE GRANT REFERENCED IN BLOCK #3 ABOVE, UNLESS MODIFIED HERE WITHIN, REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

## 13. GRANTEE: X IS IS NOT REQUIRED TO SIGN THIS DOCUMENT TO RECONFIRM ITS AGREEMENT WITH THE CHANGES EFFECTED

## 14. GRANTEE:

BY: [Signature]

TITLE: Acting Country Director, Indonesia

DATE: May 26, 2017

## 15. THE UNITED STATES OF AMERICA
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

BY: [Signature]

TITLE: Agreement Officer

DATE: 5/31/2017
I. Reference: COVER LETTER

1. Delete the phrase of “National Program for Community Empowerment Support Facility (PSF) Trust Fund” and replace with “Local Service Delivery (LSD) Trust Fund”.

2. Delete the term of “PNPM” and replace with “LSD”

3. Delete the ending date of “June 15, 2017” and replace with “June 15, 2020”.

II. Reference: ATTACHMENT 1 - SCHEDULE

1. In Section A – Purpose of Grant:
   a. Delete the term of “PNPM” and “PSF” and replace with “LSD”.
   b. Delete in its entirety the phrase of “The Facility Trust Funds are under the umbrella of the Facility and are subject to the management of the PSF Joint Management Committee, of which USAID is a member along with the other donors to Facility Trust Funds.”

2. In Section B – Period of Grant: Delete the expiration date of “June 15, 2017” and replace with “June 15, 2020”.

3. In Section E - Reporting:
   a. At number 1 (a) – Program Reports, delete the phrase “including activities financed in part by USAID funds under this grant covering years 2010, 2011, 2012, 2013, 2014, 2015, 2016 and through the expiration date of this Grant, June 15, 2017,” and replace with “including activities financed in part by USAID funds under this grant covering years 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and through the expiration date of this Grant, June 15, 2020.”

b. At number 1 (b) – Delete the designated USAID officers in its entirety and replace with the following:
   "Ms. Alexis McGinness
   Agreement Officer
   USAID/Indonesia
   American Embassy
   Annex Building, Jl. Budi Kemuliaan I/1
   Jakarta 10110, Indonesia

   E-mail: amcginness@usaid.gov"

   c. At number 2 (a) – Financial Reports, delete the phrase “No later than six (6) months following the close of the 2011, 2012, 2013, 2014, 2015, 2016 and 2017 Bank Fiscal years, the Grantee shall provide USAID with a financial report on the Facility during
each of these fiscal years via the Bank’s Trust Funds Donor Center secure website” and replace with phrase “No later than six (6) months following the close of the 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 Bank Fiscal years, the Grantee shall provide USAID with a financial report on the Facility during each of these fiscal years via the Bank’s Trust Funds Donor Center secure website”.

d. At number 2 (b), delete “No later than six (6) months following the close of the 2011, 2012, 2013, 2014, 2015, 2016 and 2017 Bank Fiscal years, the Grantee shall provide to USAID an annual single audit report for each of these fiscal years.” and replace with “No later than six (6) months following the close of the 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020 Bank Fiscal years, the Grantee shall provide to USAID an annual single audit report for each of these fiscal years.”

4. In Section F - Special Provision:
   a. At paragraph 7, delete in its entirety the phrase of “including, but not limited to the PNPM Support Facility Operations Manual (as it may be amended from time to time with the agreement of the Joint Management Committee).”
   b. At paragraph 8, delete “June 15, 2017” and replace with “June 15, 2020”.

5. In Section G – Award Administration: delete the Agreement Officer’s Representative (AOR) and the Alternate AOR names, and replace with the following:

   “Agreement Officer’s Representative (AOR): Ms. Ketty Kadarwati
   Alternate Agreement Officer’s Representative (A/AOR): Ms. Maria Ining Nurani”

III. Reference: ATTACHMENT 2 – PROGRAM DESCRIPTION

1. Delete all the phrase of “PNPM”, “National Program for Community Empowerment” and “PSF” and replace with “Local Service Delivery (LSD)”.

2. In Section I.B – The Facility: delete in its entirety the phrase of “The Facility is administered by the Bank under the guidance of the Joint Management Committee” and “it being understood that such arrangements may be changed with the approval of the Joint Management Committee”.

3. In Section II – Activities Funded Under the Facility, add the following:

   “(e) Provision of support for village public financial management, including, but not limited to, the scaling up and integrated support to: (i) strengthen the enabling environment through the finalization of revisions to the regulatory framework and accounting standards; (ii) incorporate regulatory changes in the roll out of village financial management and reporting systems that enable villages to more easily track their budgets and expenditures, generate reports and data; (iii) strengthen the design and integration of village financial tracking and reporting systems with district and national systems; (iv) strengthen the capacity building for village financial management; and (v) strengthen the degree to which village financial information is being made available to, and informed by, citizens.”
(f) Provision of technical assistance and policy advice to establish an integrated village data platform to track village financial and non-financial information.

(g) Implementation of KIAT Guru pilot to improve student learning outcomes by engaging citizens and by strengthening teachers' performance and accountability.

(h) Improvement of education service delivery through technical assistance, evaluation and other analytical activities to support KIAT Guru and policy advice on the delivery of local services for education.

(i) Provision of technical assistance and policy advisory to support universal access to safe water supply in urban areas and improve living conditions of the urban poor.

4. Delete in its entirety the Section III – The Governance Structure of the Facility.

IV. Reference: ATTACHMENT 3 – STANDARD PROVISIONS

Delete the previous Attachment 3 in its entirety, and replace with the Attachment 3 hereto, the Mandatory Standard Provisions for Cost-Type Awards to Public International Organizations (PIOs).

-------------------------------------------------------------------------End of Modification-------------------------------------------------------------------------
MANDATORY STANDARD PROVISIONS FOR COST-TYPE AWARDS
TO PUBLIC INTERNATIONAL ORGANIZATIONS (PIOs)

1. ALLOWABLE COSTS (APRIL 2011)
   a. The recipient must use funds provided under the award for costs incurred in carrying out the
      purposes of the award which are reasonable, allocable, and allowable.
      (1) "Reasonable" means the costs do not exceed those that would ordinarily be incurred by a
      prudent person in the conduct of normal business.
      (2) "Allocable" means the costs are necessary to the award.
      (3) "Allowable" means the costs are reasonable and allocable, and conform to any limitations set
         forth in the award.
   b. The recipient is encouraged to obtain the Agreement Officer's written determination in advance
      whenever the recipient is uncertain as to whether a cost will be allowable.

2. AMENDMENT (APRIL 2011)
   The parties may amend the award by mutual agreement, by formal modifications to the basic award
   document, or by means of an exchange of letters between the Agreement Officer and the recipient.

3. NONLIABILITY (APRIL 2011)
   USAID does not assume liability for any third party claims for damages arising out of the award.

4. NOTICES (APRIL 2011)
   Any notice given by USAID or the recipient will be sufficient only if in writing and delivered in person,
   mailed, or transmitted electronically by e-mail or fax. Notices to USAID should be sent to the
   Agreement Officer at the address specified in the award and to any designee specified in the award.
   Notices to the recipient should be sent to the recipient's address shown in the award or to such other
   address designated in the award.
   Notices will be effective when delivered in accordance with this provision, or on the effective date of the
   notice, whichever is later.

5. REFUND (APRIL 2011)
   a. If the recipient earns interest on Federal advances before expending the funds for program
      purposes, the recipient must remit the interest annually to USAID. Interest amounts up to $250 per
      year may be retained by the recipient for administrative expenses.
   b. Funds obligated by USAID, but not disbursed to the recipient before the award expires or is
      terminated will revert to USAID, except for funds committed by the recipient to a legally binding
      transaction applicable to the award. Any funds advanced to, but not disbursed by, the recipient
      before the award's expiration or termination must be refunded to USAID, except for funds
committed by the recipient to a legally binding transaction applicable to the award.

c. If, at any time during the life of the award, or as a result of an audit, the Agreement Officer
determines that USAID funds provided under the award have been expended for purposes not in
accordance with the terms of the award, then the recipient must refund the amount to USAID.

6. AWARD BUDGET LIMITATIONS AND REVISIONS (APRIL 2011)

a. The approved award budget is the financial expression of the recipient’s program as approved
during the award process. USAID is not obligated to reimburse the recipient for any costs incurred
in excess of the total amount obligated under the award.

b. The recipient must immediately request approval from the Agreement Officer when there is reason
to believe that, within the next 30 calendar days, a revision of the approved award budget will be
necessary for any of the following reasons:

(1) To change the scope or the objectives of the program or to add any new activity.

(2) To revise the funding allocated among program objectives by more than ten
percent (10%) of the total budget amount unless the award states otherwise.

(3) Additional funding is needed.

(4) The recipient expects the amount of USAID authorized funds to exceed its needs
by more than $20,000 or ten percent (10%) of the USAID award, whichever is
greater.

c. The recipient will not be obligated to continue performance under the award (including
actions under the “Termination Procedures” provision) or otherwise to incur costs in excess of
the amount obligated under the award, unless and until the Agreement Officer notifies the
recipient in writing that the obligated amount has been increased and specifies the new award
total amount.

7. TERMINATION PROCEDURES (APRIL 2011)

The award may be terminated by either party, in whole or in part, at any time with 30 days written notice
of termination. After receiving a termination notice from the Agreement Officer, the recipient must take
immediate action to cease all expenditures financed by the award and to cancel all unliquidated
obligations if possible. The recipient may not enter into any additional obligations under the award after
receiving the notice of termination, other than those reasonably necessary to effect the close out of the
award. Except as provided below, no further reimbursement will be made after the effective date of
termination. As soon as possible, but in any event no later than 120 days after the effective date of
termination, the recipient must repay to USAID all unexpended USAID funds that are not otherwise
obligated by a legally binding transaction applicable to the award. If the funds paid by USAID to the
recipient before the effective date of termination are not sufficient to cover the recipient’s obligations
under a legally binding transaction, then the recipient may submit a written claim for such amount to
USAID within 120 days after the effective date of termination. The Agreement Officer will determine the
amount(s) to be paid by USAID to the recipient under the claim in accordance with the “Allowable
Costs” provision of the award.
8. AUDIT AND RECORDS (APRIL 2011)

The recipient is required to maintain books, records, documents, and other evidence, in accordance with the recipient’s usual accounting procedures to sufficiently substantiate charges to the award. The recipient confirms that its program will be subject to an independent audit in accordance with the recipient’s usual auditing procedures, and agrees to furnish copies of these audit reports to USAID along with other related information, as may be reasonably requested by USAID with respect to questions or findings arising from the audit report.


10. TERRORIST FINANCING CLAUSE (APRIL 2011)

Recognizing the obligations of the United States and other member countries under various United Nations Security Council Resolutions to take measures to prevent financing of terrorists, the recipient undertakes to use reasonable efforts, consistent with the agreement establishing the recipient and its own policies, including those pertaining to combating financing for terrorists, to ensure that the funds provided under the award are used for their intended purposes and are not diverted to terrorists or their agents.

To the extent the World Bank may use the funding provided by USAID under this Grant for the purpose of providing grants with other recipients, the World Bank will include a provision in each award agreement or contract between the World Bank and each such recipient that the recipient:

(1) Will not use the proceeds of the award or contract for the purpose of any payment to persons or entities, or for the import of goods, if such payment or import, to the recipient’s knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations (http://www.un.org/en/documents/charter/chapter7.shtml), including under S/RES/1373 (2001) (http://www.undemocracy.com/S-RES-1373(2001).pdf) and related resolutions, and

(2) Will include a corresponding provision in any sub-award agreements or subcontracts that the recipient enters into with entities to which the recipient makes the USAID award funding available.

11. PUBLICATIONS AND MEDIA RELEASES (APRIL 2011)

a. If the recipient intends to identify USAID’s contribution to any publication, video, or other information/media product resulting from the award, the product must state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements must identify the sponsoring USAID Bureau/Independent Office or Mission and the U.S. Agency for International Development substantially as follows.

“This [publication, video, or other information/media product (specify)] was made possible through support provided by the Office of_________, Bureau for_________, U.S. Agency for International Development, under the terms of Award No._________. The opinions expressed in this [publication, video, or other information/media product] are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.”
b. The recipient must provide USAID with one copy of all published works developed under the award and with lists of other written works produced under the award.

c. Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under the award, but USAID reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for U.S. Government purposes.