

Amendment No.1 to the Administration Arrangement between the Government of Canada, represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development and the International Bank for Reconstruction and Development and the International Development Association regarding the Modernizing the Management of Public Resources in Indonesia Multi-Donor Trust Fund (Trust Fund No. 073459)

1. Reference is made to the Administration Arrangement between the Government of Canada, represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (the “Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank” and together with the Donor, the “Participants” and each a “Participant”) regarding the Modernizing the Management of Public Resources in Indonesia Multi-Donor Trust Fund, (Trust Fund No. 073459) effective as of March 18, 2021 (the “Administration Arrangement”).

2. The Participants mutually decide to amend the Administration Arrangement as follows:

(a) Paragraph 1 (Objectives) of Annex 1 will be deleted and replaced with the following:

“Support the Government of Indonesia in improving the quality of revenue and expenditure policy and management at central and subnational levels by enhancing their performance orientation **and accountability**, including through digital technology in a gender responsive manner.”

(b) A new sub-paragraph 2.1(i) will be included in Annex 1 to read as follows:

“(i) Support capacity enhancement of the Supreme Audit Institution (*Badan Pemeriksa Keuangan* or BPK) to implement international standards as foreseen in the strategic plan (2012-2025) of the community/association of supreme audit institution in the Association of Southeast Asian Nations (ASEAN) countries (ASEANSAI) in the following areas: (i) implementation of international standards of supreme audit institutions and other good practices from the international organization of supreme audit institutions; (ii) delivery of performance audit; (iii) strengthening of BPK’s IT systems, (iv) impact evaluation of service delivery programs on gender equality; (v) achievement of BPK’s sustainable development goals; (vi) improvement of BPK’s cooperation with regional and international partners to further enhance its leading role within ASEANSAI agenda.”

(c) Sub-paragraph 2.2(a) of Annex 1 will be deleted and replaced with the following:

“(a) *Support for Public Finance Management Reforms in Indonesia.* Implementing public finance management reforms of the MoF, **Bappenas, Ministry of Home Affairs, National Internal Audit Agency (BPKP), Ministry of Women Empowerment and Child Protection, Supreme Audit Institution (BPK), and the National Public Procurement Agency (LKPP)** through, *inter alia*: (i) technical assistance in the areas of tax, planning, budgeting, expenditure, **procurement, internal audit, external audit**, and subnational public finance management, as

well as digital transformation **and gender equality**; (ii) capacity building in the areas of tax, planning, budgeting, expenditure, **procurement, internal audit, external audit**, and subnational public finance management, as well as digital transformation **and gender equality**; and (iii) evaluation and implementation support.”

3. All other terms of the Administration Arrangement will remain the same.

4. Each of the Participants represents, by confirming its acceptance below, that it is authorized to enter into this Amendment and act in accordance with its provisions. The Participants are requested to sign and date this Amendment, and upon possession by the Bank of this fully signed Amendment and respective amendments signed by all other donors to the Trust Fund, this Amendment will come into effect as of the date of the last signature.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION**

By:  _____

Name: Iwan Gunawan

Title: Acting Country Director, Indonesia and Timor-Leste
22-Dec-2021

Date: _____

**GOVERNMENT OF CANADA, REPRESENTED BY THE MINISTER FOR
INTERNATIONAL DEVELOPMENT, ACTING THROUGH THE DEPARTMENT OF
FOREIGN AFFAIRS, TRADE AND DEVELOPMENT**

By:  _____

Name: Gayle Barnett

Title: Acting Head of Cooperation, Embassy of Canada to Indonesia

Date: 22-Dec-2021

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