

GUIDELINES FOR DISBURSEMENT OF GRANT FUND OF AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID) NUMBER 62031 (WATER HIBAH AND SANITATION HIBAH PHASE 2 PROGRAM)

**(The Regulation of Director General of Treasury Number
PER-9/PB/2013, dated 18 March 2013)**

DIRECTORATE GENERAL OF TREASURY,

Considering:

- a. in order to increase drinking water and sanitation connection access with priority to low income society, Indonesian Government receives grant from Australian Government through Australian Agency For International Development (AusAID) for Water Hibah And Sanitation Hibah Phase 2 Program;
- b. in the framework of management of grant from the Australian Government as meant at point a, it is necessary to have implementing guidelines for the grant disbursement;
- c. based on the consideration as meant at point a and point b, it is necessary to stipulate the Regulation of the Director General of Treasury concerning Implementing Guidelines for Grant Disbursement of Australian Agency for International Development (AusAID) Number 62031 (Water Hibah and Sanitation Hibah Phase 2 Program);

In view of:

1. Law Number 17 Year 2003 concerning State Finance (State Gazette of the Republic of Indonesia Year 2003 Number 47, Supplementary State Gazette of the Republic of Indonesia Number 4286);
2. Law Number 1 Year 2004 (BN No. 7031 page 13B-14B) concerning State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplementary State Gazette of the Republic of Indonesia Number 4355);
3. Law Number 15 Year 2004 (BN No. 7120 page 1B-6B) concerning State Financial Management and Accountability Audit (State Gazette of the Republic of Indonesia Year 2004 Number 66, Supplementary State Gazette of the Republic of Indonesia Number 4400);
4. the Law Number 33 Year 2004 concerning Financial Ratio between Central Government and Regional Government (State Gazette of the Republic of Indonesia Year 2004 Number 126, Supplementary State Gazette of the Republic of Indonesia Number 4438);

5. the Government Regulation Number 42 Year 1995 concerning Import Duty, Additional Import Duty, Value Added Tax, and Sales Tax on Luxury Goods and Income Tax in the framework of Government Project Implementation Funded with Foreign Loan Fund as has been amended for several times, the last one with the Government Regulation Number 25 Year 2001 (State Gazette of the Republic of Indonesia Year 2001 Number 48, Supplementary State Gazette of the Republic of Indonesia Number 4092);
6. the Government Regulation Number 10 Year 2011 concerning Procurement Procedures for Foreign Loan and Donation Acceptance (State Gazette of the Republic of Indonesia Year 2011 Number 23, Supplementary State Gazette of the Republic of Indonesia Number 5202);
7. the Government Regulation Number 2 Year 2012 concerning Regional Grant (State Gazette of the Republic of Indonesia Year 2012 Number 5);
8. the Presidential Regulation Number: 54 Year 2010 concerning Governmental Goods/Service Procurement as has been amended for several times, the last one with Presidential Regulation Number 70 Year 2012;
9. the Presidential Decree Number 42 Year 2002 concerning Implementing Guidelines for State Budget (State Gazette of the Republic of Indonesia Year 2002 Number 73, Supplementary State Gazette of the Republic of Indonesia Number 4212), as has been amended with Presidential

Regulation Number 53 Year 2010 (State Gazette of the Republic of Indonesia Year 2010 Number 74, Supplementary State Gazette of the Republic of Indonesia Number 5135);

10. the Regulation of Minister of Finance Number 184/PMK. 01/2010 concerning the Organization and Management of the Ministry of Finance;
11. the Regulation of Minister of Finance Number 151/PMK. 05/2011 concerning Withdrawal Procedures for Foreign Loan and/or Grant;
12. the Regulation of Minister of Finance Number 188/PMK. 07/2012 concerning Grant From Central Government To Regional Government;
13. the Regulation of Minister of Finance Number 190/PMK. 05/2012 concerning Paying Procedures In The Framework Of State Budget Implementation;
14. the Regulation of the Director General of Treasury Number 3PER-56/PB/2012 Concerning Implementing Guidelines for Foreign Loan and/or Grant encumbrance Through Special Account Mechanism;

DECIDED :

To stipulate:

THE REGULATION OF THE DIRECTOR GENERAL OF TREASURY CONCERNING IMPLEMENTING GUIDELINES OF GRANT FUND OF AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT (AUSAID) NUMBER 62031 (WATER HIBAH AND SANITATION HIBAH PHASE 2 PROGRAM).

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regulation of Director General there are definitions as follows:

1. Water Hibah And Sanitation Hibah Phase 2 Program is a government project funded with grant from the Australian Government in order to increase drinking water and sanitation connection access with priority to low income society that granted-forward to the Regional Government in accordance to the laws and regulations.
2. Foreign Loan and/or Grant (Pinjaman dan/atau Hibah Luar Negeri), hereinafter abbreviated as PHLN, is a foreign loan and/or grant as meant in Government Regulation Number 10 Year 2011 concerning Procurement Procedures for Foreign Loan and Grant Acceptance.
3. Grant from the Government to Regional Government, hereinafter mentioned as Grant is a grant with assignment of right upon something from the Government to the Regional Government with allotment has been specifically stipulated and implemented through agreement.
4. Foreign Loan and/or Grant Provider, hereinafter will be mentioned as PHLN Provider, is creditor that gives loan and/or party that provides grant to government, which comes from foreign country.
5. PHLN Agreement is a written agreement concerning loan and/or grant between Government and PHLN Provider.
6. Budget Implementation Form, hereinafter mentioned as DIPA, is a Budget Implementation Document used as Budget User reference in implementing governance activities as the implementation of APBN.
7. The Service Office of State Treasury, hereinafter abbreviated as KPPN, is a vertical agency of Directorate General of Treasury that has obtained authority and the State General Treasurer (BUN) in order to implement partly of functions of BUN Authority.
8. Executing Agency, hereinafter abbreviated as EA, is the state ministry/institution as the responsible holder upon the whole implementation of the activities.
9. Closing Date is the deadline date for PHLN fund disbursement through the issuance of Letter of Instruction for Fund Disbursement by KPPN.
10. Special Account (rekening khusus), hereinafter mentioned as Reksus, is a Government Account opened by the Minister of Finance at Bank of Indonesia or appointed Bank to receive and to distribute PHLN fund with revolving balance after answering to the PHLN Provider.
11. Withdrawal Application (Aplikasi Penarikan Dana), hereinafter abbreviated as APD is the withdrawal of PHLN fund Initial Deposit, replenishment of Reksus, fund withdrawal for reimbursement upon the expenses paid in advanced by government, direct payment to associate or addressee, and fund withdrawal in order to transfer directly to the State General Fund Account.

12. APD-Reksus is fund withdrawal application issued by the Directorate General of Treasury c.q. the Directorate of State Treasury Management to PHLN Provider to withdraw the Initial Deposit or fund reimbursement that has been paid from Reksus.
13. Request Letter for the Issuance of Special Account Payment Fund Withdrawal Application, hereinafter abbreviated as SPP APD-Reksus, is a document signed by PA/KPA as ground for the Directorate General of Treasury c.q. the Directorate of State Treasury Management in submitting the application for payment to PHLN Provider.
14. Ineligible is the issuance of the Instruction Letter for Reksus Fund Disbursement based on the Letter of Instruction to Pay Reksus submitted by PA/KPA that is not in accordance to the regulation in PHLN Agreement, the issuance of the Instruction Letter for Reksus Fund Disbursement is not acknowledged and/or is not getting reimbursement from the PHLN Provider.
15. Financial Statement of Special Account, hereinafter abbreviated as FISSA, is a financial report concerning Reksus use for the period of one fiscal year compiled by Executing Agency (EA).
16. Letter of Direct Payment Request, hereinafter abbreviated as SPP, is the document issued by the Commitment Maker Official in the framework of invoice payment to the right beneficiary/Expenditure Treasurer.
17. The Payment Instruction Letter, next will be abridged as SPM, is the document used/issued

by the budget user/budget user authority for the issuance of SP2D over DPA-SKPD expenses.

18. The Direct Payment Instruction Letter, hereinafter mentioned as SPM-LS, is the document issued by PPSPM to disburse funds from DIPA in the framework of invoice payment to the right beneficiary/Expenditure Treasurer..
19. SPM-Reksus is SPM with funds source from DIPA or other document that equalized to the ones from PHLN using Reksus method of withdrawal.
20. The Fund Disbursement Instruction Letter, herein after abbreviated as SP2D, is an instruction letter issued by KPPN as the State General Treasurer Authority for expenditure implementation upon State Budget's burden based on SPM.
21. SP2D-Reksus is expenditure SP2D upon State Budget's burden based on SPM-Reksus.

Article 21

(1) Grant specifications are as follows:

- a. Grant Agreement Number : 62031
- b. Signing Date : 03 June 2012
- c. Registration Number : 72599501
- d. Account Number : 602.005311980
- e. Effective Date : 03 June 2012
- f. Closing Date : 30 June 2015
- g. Amount of Grant : AUD94,000,200
- h. Financing Percentage : 100% Grant
- i. Executing Agency : Directorate General of Human Settlements, the Ministry of Public Works

- (2) The Amendment upon specifications and category of grant intended is regulated and stipulated through the Letter of the Director of State Treasury Management on the behalf of the Director General of Treasury based on agreement amendment of PHLN and/or the approval of PHLN Provider.

CHAPTER II

DISBURSEMENT AND ENCUMBRANCE

Article 3

- (1) Procedures for disbursement and encumbrance of grant fund use Reksus mechanism and implemented in accordance to the provision that regulate implementing guidelines for PHLN fund encumbrance through Reksus.
- (2) Disbursement and encumbrance as meant at paragraph (1) are implemented in accordance to the specifications as meant in Article 2 paragraph (1).
- (3) Directorate General of Treasury c.q. The Directorate of State Treasury Management issues APD-Reksus and makes cover letter after SPP APD-Reksus is stated complete and correct.
- (4) Directorate General of Treasury c.q. Directorate of State Treasury Management submits APD-Reksus and cover letter as meant at paragraph (3) to PHLN Provider with copy to the Directorate General of Loan Management c.q. Directorate of Evaluation, Accounting, and Settlement and Bank of Indonesia.
- (5) In case EA does not perform its obligation to deliver SPP APD-Reksus periodically, thus causes Empty Reksus, the Directorate of State Treasury Management on the behalf of Director General of Treasury can issue a Letter of Suspension on Reksus Fund Disbursement as the based of KPPN and/or Special KPPN to suspend the issuance of SP2D Reksus.
- (6) The reimbursement upon the suspension as meant at paragraph (5) can be implemented by KPPN after receiving the Revocation Letter for Suspension on Reksus Fund Disbursement and the Director of State Treasury Management on the behalf of the Directorate General of Treasury.

CHAPTER III

SPECIAL ACCOUNT FUND REPLENISHMENT

Article 4

- (1) EA submits SPP APD-Reksus for period replenishment of Reksus in accordance to the provision and attached with supporting document required in PHLN Agreement to the Directorate General of Treasury c.q. the Directorate of State Treasury Management in accordance to the applicable procedures and is under full responsibility of the related EA.
- (2) Directorate General of Treasury c.q. The Directorate of State Treasury Management examines and studies the SPP APD Reksus received from EA.
- (3) Directorate General of Treasury c.q. The Directorate of State Treasury Management issues APD-Reksus and makes cover letter after SPP APD-Reksus is stated complete and correct.
- (4) Directorate General of Treasury c.q. Directorate of State Treasury Management submits APD-Reksus and cover letter as meant at paragraph (3) to PHLN Provider with copy to the Directorate General of Loan Management c.q. Directorate of Evaluation, Accounting, and Settlement and Bank of Indonesia.
- (5) In case EA does not perform its obligation to deliver SPP APD-Reksus periodically, thus causes Empty Reksus, the Directorate of State Treasury Management on the behalf of Director General of Treasury can issue a Letter of Suspension on Reksus Fund Disbursement as the based of KPPN and/or Special KPPN to suspend the issuance of SP2D Reksus.
- (6) The reimbursement upon the suspension as meant at paragraph (5) can be implemented by KPPN after receiving the Revocation Letter for Suspension on Reksus Fund Disbursement and the Director of State Treasury Management on the behalf of the Directorate General of Treasury.

Article 5

- (1) In case required, EA must compile FISSA for Reksus use audit by auditor.
- (2) FISSA as meant at paragraph (1), is submitted to PHLN Provider and the Director General of Treasury c.q. the Directorate of State Treasury Management.

CHAPTER IV

DOCUMENT REPORTING AND DELIVERY

Article 6

- (1) KPPN maintains the record of SPM Reksus with SP2D issued as expenditure by charging it on the related account.
- (2) Procedures for document reporting and delivery are implemented in accordance to the provision that regulate about implementing guidelines for PHLN fund encumbrance through Reksus.

CHAPTER V

OTHER PROVISIONS

Article 7

- (1) Indebted PPN, PPnBM, and PPH for PHLN portion are implemented in accordance to the laws and regulations.
- (2) Validation of tax invoice and SSP is implemented in accordance to the laws and regulations.
- (3) The issuance of SPP-LS, SPM-LS, and SP2D-LS upon invoice is based on the agreement/contract in foreign currency and/or payment to foreign country by following these provisions below:
 - a. For agreement/contract in foreign currency, conversion into rupiah cannot be done, and
 - b. SPM submission for payment implementation in

foreign currency as meant at point a is submitted to Special KPPN, Jakarta VI.

Article 8

- (1) Expenditure upon SP2D-Reksus that is not in accordance with the provisions as regulated in PHLN Agreement document of expenditure after the statement of closing date of PHLN is categorized as ineligible expenditure.
- (2) Upon expenditure that categorized as ineligible as meant at paragraph (1), the Director General of Treasury submits notification letter to the Head of the State Ministry/Institution with copy to the Director General of Budgeting.
- (3) The expenditure categorized as ineligible as meant at paragraph (1) becomes the responsibility of the related Ministry/Institution and must be calculated in DIPA revision for the running fiscal year or charged on in DIPA of the coming year.

CHAPTER VI

FINAL PROVISIONS

Article 9

This Regulation of Director General starts to take effect since the stipulation date.

Stipulated in Jakarta

on 18 March 2013

THE DIRECTORATE GENERAL OF TREASURY,

Signed

AGUS SUPRIJANTO

(A)