

AMENDMENT NUMBER ELEVEN

TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE ISLAMIC REPUBLIC OF AFGHANISTAN (IRoA)

FOR

**THE STRATEGIC OBJECTIVE OF A THRIVING ECONOMY LED BY THE PRIVATE
SECTOR**

Dated as of September 30, 2007

AMENDMENT NUMBER ELEVEN
TO
THE STRATEGIC OBJECTIVE GRANT AGREEMENT

AMENDMENT NUMBER ELEVEN TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT between the Government of the United States of America, acting through the United States Agency for International Development ("USAID"), and the Government of the Islamic Republic of Afghanistan (hereinafter referred to as the "Grantee" or the "IRoA"), acting through the Ministry of Finance, dated as of September ~~30~~, 2007

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement ("SOAG") for the Strategic Objective of "A Thriving Economy Led by the Private Sector" (USAID Grant Agreement No. SOAG-306-05-00), dated September 19, 2005 and subsequently amended that SOAG on

- September 30, 2005 (Amendment No. 1);
- April 6, 2006 (Amendment No. 2);
- May 11, 2006 (Amendment No. 3);
- June 28, 2006 (Amendment No. 4);
- September 18, 2006 (Amendment No. 5);
- September 30, 2006 (Amendment No. 6);
- April 07, 2007 (Amendment No. 7),
- July 2, 2007 (Amendment No. 8)
- July 23, 2007 (Amendment No. 9) and,
- September 19, 2007 (Amendment No. 10).

The SOAG as so amended is referred to hereinafter as the "Agreement."

WHEREAS, USAID and the Grantee desire to further amend the Agreement to (a) increase the USAID contribution by **Six Hundred Ninety Million Nine Hundred Twenty Seven Thousand Seven Hundred Seventeen** United States (U.S.) Dollars (**U.S. \$690,927,717.00**); and (b) update the illustrative financial plan to reflect certain adjustments and to cross reference and cross-walk the original SOAG budget information against the new USAID standardized program budget structure.

NOW, THEREFORE, the Parties hereto hereby agree that the Agreement shall be amended as follows:

1. The first sentence in Section 3.1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof: "(a) The Grant. 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 terms of this Agreement not to exceed **One Billion Eight Hundred Fifty One Million Four Hundred Sixty Eight Thousand Eight Hundred Twenty Nine and Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S. \$ 1,851,468,829.82**) (the 'Grant')."
2. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof.

Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect. Capitalized terms not defined in this Amendment shall have the

meanings ascribed thereto in the Agreement This Amendment is prepared in both English and Dari. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Amendment Number Eleven to be signed in their names and delivered as of the day, month and year first written above.

FOR THE UNITED STATES OF AMERICA

FOR THE ISLAMIC REPUBLIC OF
AFGHANISTAN

By: _____

Name: Robin Phillips

Title: Mission Director,
USAID/Afghanistan

By: _____

Name. Anwar-ul-Haq Ahady

Title: Minister of Finance

Appropriation: ES SUP 2007/2008 (ESF)
Amount: \$479,120,000

Appropriation: ES NOA 2007/2008 (ESF)
Amount: \$211,807,717

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 11

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 11	Amount Obligated in Amendment No. 11	Cumulative Obligations in FY 2005 - FY 2007 *	Amount Remaining to be Obligated in FY 2007 - FY 2010 **	Total Estimated Contribution
A THRIVING ECONOMY LED BY THE PRIVATE SECTOR					
USAID Grant Agreement No. SOAG-306-05-00					
Rehabilitate the rural economy	366,300	149,799	516,099	518,402	1,034,501
Accelerate market-led growth in agriculture ***	101,717	25,732	127,449	156,951	284,400
Accelerate rural development to generate alternative livelihoods —	264,583	124,068	388,651	361,450	750,101
Increase Incomes through Economic Growth ***	144,801	35,525	180,326	271,463	451,789
Expand Improved Access to Economic Infrastructure	624,777	503,349	1,128,126	130,814	1,258,940
Stabilize Energy Services and Make them Affordable and More Accessible ***	237,422	170,600	408,022	196,426	604,448
Expand and Improve Access to Transportation	372,627	331,749	704,376	(274,084)	430,292
Expand and Improve Access to Water Supplies and Sanitation	14,728	1,000	15,728	208,472	224,200
USAID Program Support	24,663	2,254	26,918	16,002	42,920
TOTAL OBJECTIVE 5:	1,160,541	690,928	1,851,469	936,681	2,788,150

NOTE * – References to "FY" refer to the USG fiscal year

NOTE ** – These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3.1 (b) of the Agreement

NOTE *** – The illustrative financial plan previously included a line item for "Pre-existing Mortgages"; however, the funds in that line item are now included in the relevant programmatic line items indicated above

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010
Amendment No. 11
In Thousands of U.S. Dollars

Objective	Program Area	Program Element	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No 11 *	Amount Obligated in Amendment No 11	Cumulative Obligations in FY 2005 - FY 2007**	Amount Remaining to be Obligated in FY 2007 - FY 2010***	Total Estimated Contribution		
THRIVING ECONOMY LED BY THE PRIVATE SECTOR										
SAID Grant Agreement No. SOAG-306-05-00										
Peace and Security	1	Counter Narcotics	1 4 2	Alternative Development & Alternative Livelihoods	Rehabilitate the Rural Economy Accelerate Rural Development to generate Alternative	264,043	140,920	404,963	345,138	750,101
			1 4 5	Program Support (Narcotics)	USAID Program Support	12,730	3,148	15,878	5,582	21,460
					276,773	144,068	350,720.400	771,561		
Governing Justly & Democratically	2	Good Governance	2 2 3	Local Government and Decentralization	Economic Growth		2,000	2,000	-	2,000
							2,000	2,000		2,000
Investing in People	3	Health	3 1 8	Water Supply and Sanitation	Expand and Improve Access to Water Supplies and Sanitation	14,728	1,000	15,728	208,472	224,200
						14,728	1,000	15,728	208,472	224,200
Economic Growth	2	Trade and Investment	4 2 1	Trade and Investment Enabling Environment	Trade and Investment Enabling Environment	30,116	1,380	31,496	18,504	50,000
			4 2 3	Program Support (Trade)	Program Support (Trade)	200	500	700	4,300	5,000
	4	Infrastructure	4 4 1	Modern Energy Services	Stabilize Energy Services and Make them Affordable and More Accessible	237,422	170,600	408,022	196,426	604,448
			4 4 3	Transport Services	Expand and Improve Access to Transportation	372,627	331,749	704,376	(274,084)	430,292
			4 4 4	Infrastructure Program Support	USAID Program Support	12,473	2,254	14,727	6,733	21,460
	5	Agriculture	4 5 1	Agriculture Enabling Environment	Agriculture	68,905	263	69,168	115,232	184,400
			4 5 2	Agricultural Sector productivity	Agriculture	16,762	24,000	40,762	9,238	50,000
			4 5 3	Program Support (Agriculture)	Agriculture	1,050	1,469	2,519	47,481	50,000
	6	Private Sector Competitiveness	4 6 1	Business Enabling Environment	Business Enabling Environment	104,769	2,400	107,169	229,445	336,614
			4 6 2	Private Sector Productivity	Economic growth		4,575	4,575	-	4,575
			4 6 3	Workforce Development	Economic growth		3,600	3,600	-	3,600
			4 6 4	Program Support (Private Sector)	Program Support (Private Sector)	230	1,070	1,300	3,700	5,000
	7	Economic Opportunities	4 7 1	Inclusive Financial Markets	Inclusive Financial Markets	9,319	(598)	**** 8,721	16,279	25,000
4 7 5			Program Support (Econ)	Economic growth	167	598	**** 765	4,235	5,000	
8	Environment	4 8 1	Natural Resources and Biodiversity	Biodiversity Conservation & Reforestation	15,000		15,000	-	15,000	
						869,040	543,860	1,412,900	377,489	1,790,389
TOTAL OBJECTIVE 5					1,160,541	690,928	1,851,469	936,681	2,788,150	

OTE * -- In the absence of a detailed audit of prior obligations executed before Amendment No 10, amounts for "Program Support" have been attributed equally between Program Elements 1 4 Counter narcotics and 4 4 Infrastructure

OTE ** -- References to "FY" refer to the USG fiscal year

OTE *** -- These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3 1 (b) of the Agreement

OTE **** -- These figures reflect a transfer / realignment in the net amount of \$598,000 among these line items