

USAID Grant Agreement No. 306-06-12

AMENDMENT NUMBER TWELVE

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 DEMOCRATIC GOVERNMENT WITH BROAD
CITIZEN PARTICIPATION**

Dated as of: June 22, 2008

AMENDMENT NUMBER TWELVE

TO

THE STRATEGIC OBJECTIVE GRANT AGREEMENT

AMENDMENT NUMBER TWELVE 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 June 22, 2008

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement ("SOAG") for the Strategic Objective of "A Democratic Government with Broad Citizen Participation" (USAID Grant Agreement No. SOAG-306-06-00) 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);
- April 07, 2007 (Amendment No. 6);
- July 2, 2007 (Amendment No. 7);
- July 23, 2007 (Amendment No. 8);
- September 19, 2007 (Amendment No. 9);
- September 30, 2007 (Amendment No. 10); and
- April 10, 2008 (Amendment No. 11).

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 **Fifteen Million** United States (U.S.) Dollars (**U.S. \$15,000,000.00**); 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:

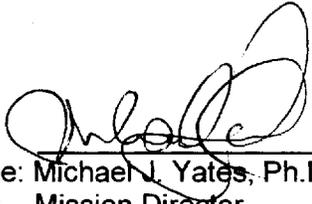
1. The first sentence in Section 3.1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof: "(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed **Two Hundred Forty Three Million Twenty Two Thousand Four Hundred Thirty Three** United States (U.S.) Dollars (**U.S.\$ 243,022,433.00**) (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.

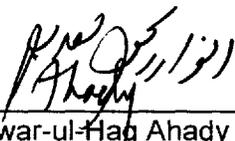
Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect. Capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement. This Amendment is prepared in both English and Dari. In the event of ambiguity 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 Twelve 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: Michael J. Yates, Ph.D.
Title: Mission Director
USAID/Afghanistan

By: 
Name: Anwar-ul-Haq Ahady
Title: Minister of Finance

FUNDS EXTRACTED FROM:

Fund Account: ESF 2007/2008 (ESF) Supplemental
Program Area: A17
Program Element A071 (Transport Services)
Amount: \$15,000,000

FUNDS TRANSFERED TO:

Fund Account: ESF 2007/2008 (ESF) Supplemental
Program Area: A09
Program Element A041 (Elections and Political Processes)
Amount: \$15,000,000

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 12

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008 *	Amount Remaining to be Obligated/Realigned in FY 2008 - FY 2010 **	Total Estimated Contribution ***
A DEMOCRATIC GOVERNMENT WITH BROAD CITIZEN PARTICIPATION USAID Grant Agreement No. SOAG-306-06-00					
Build Capacity of the Formal Justice System****	24,500		24,500	-	24,500
Strengthen Election and Political Process ****	34,557	15,000	49,557	-	49,557
Strengthen Institutions for Good Governance****	138,969		138,969	-	138,969
Increase the Presence and Performance of the Non-government Sector****	26,478		26,478	-	26,478
USAID Program Support	3,518		3,518	85	3,603
TOTAL OBJECTIVE 6:	228,023	15,000	243,023	85	243,108

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. Only \$85,000 of new funds remains to be obligated while future amendments may realign funds that are already obligated into SOAG.

NOTE *** – Total Estimated Contribution after proposed realignments.

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. 12
In Thousands of U.S. Dollars

Program Area	Program Element	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No. 12	Amount Obligated in Amendment No. 12	Cumulative Obligations in FY 2005 - FY 2008*	Amount Remaining to be Obligated/Realigned in FY 2008 - FY 2010**	Total Estimated Contribution		
JUSTICE GOVERNMENT WITH BROAD CITIZEN PARTICIPATION									
Agreement No. SOAG-306-06-00									
2.1	Rule of Law & Human Rights	2.1.1	Constitutions Laws, & Legal Systems	Building Capacity of the Formal Justice System	5,410		5,410	-	5,410
		2.1.2	Judicial Independence	Building Capacity of the Formal Justice System	11,498		11,498	-	11,498
		2.1.3	Justice System	Building Capacity of the Formal Justice System	5,410		5,410	-	5,410
		2.1.4	Human Rights	Building Capacity of the Formal Justice System	1,583		1,583	-	1,583
		2.1.5	Program Support (Rule of Law)	USAID Program Support	894		894	-	894
			24,794	-	24,794	-	24,794		
2	Good Governance	2.2.1	Legislative Functions and processes	Strengthen Institutions for Good Governance	3,000		3,000	-	3,000
		2.2.2	Public Sector Executive Function	Strengthen Institutions for Good Governance	55,331		55,331	-	55,331
		2.2.3	Local Government and Decentralization	Strengthen Institutions for Good Governance	80,638		80,638	-	80,638
		2.2.6	Program Support (Governance)	USAID Program Support	2,635		2,635	85	2,720
			141,605	-	141,605	85	141,690		
2.3	Political Competition & Consensus-Building	2.3.2	Elections and Political Processes	Strengthen Election and Political Process	19,668	15,000	34,668	-	34,668
		2.3.3	Political Parties	Political Parties	13,629		13,629	-	13,629
		2.3.4	Program Support (Political Competition)	USAID Program Support	1,555		1,555	-	1,555
			34,852	15,000	49,852	-	49,852		
2.4	Civil Society	2.4.1	Civic Participation	Increase the Presence and Performance of the Non-governmental Sector	16,264		16,264	-	16,264
		2.4.2	Media Freedom and Freedom of Information	Increase the Presence and Performance of the Non-governmental Sector	9,614		9,614	-	9,614
		2.4.3	Program Support (Civil Society)	USAID Program Support	894		894	-	894
			26,772	-	26,772	-	26,772		
TOTAL OBJECTIVE 6:			228,023	15,000	243,023	85	243,108		

*References to "FY" refer to the USG fiscal year.
 **Funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3.1 (b) of the Agreement