

USAID Grant Agreement No. 306-05-14

**AMENDMENT NUMBER FOURTEEN  
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 21, 2008

**AMENDMENT NUMBER FOURTEEN**  
**TO**  
**THE STRATEGIC OBJECTIVE GRANT AGREEMENT**

AMENDMENT NUMBER FOURTEEN 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 21, 2008

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);
- September 19, 2007 (Amendment No. 10);
- September 30, 2007 (Amendment No. 11);
- April 10, 2008 (Amendment No. 12); and,
- May 29, 2008 (Amendment No. 13).

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 **Two Hundred Seventy Four Million Fifty Seven Thousand Four Hundred Forty Six** United States (U.S.) Dollars (**U.S. \$274,057,446.00**); (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; and (c) Indicate additional indirect contributions in the amount of Twenty Eight Million, One Hundred Seventy Thousand One Hundred Twenty Four United States (U.S.) Dollars (\$28,170,124) to this Strategic Objective by USAID/Washington in support of the Agriculture and Counter Narcotics Program Areas.

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 Billion One Hundred Eighty Nine Million Five Hundred Sixty Thousand Ninety Seven and Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S. \$ 2,189,560,097.82**) (the 'Grant')."

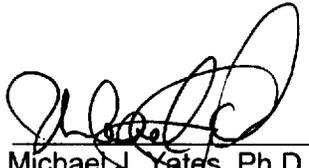
2. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof.
3. The following paragraph is added to the end of the Section 2.1 of the Agreement:  
“Activities pursuant to this objective shall be aligned with the Afghanistan National Development Strategy (ANDS), and will assist the GIRoA in the implementation of the ANDS.”
4. At the end of Article 3.1 of the agreement add: “(d) Indirect Contribution. In addition to the funds granted to GIRoA in Article 3.1(a), during the life of this Agreement USAID has contributed \$28,170,124 not obligated to this Agreement but in furtherance of this Strategic Objective.”

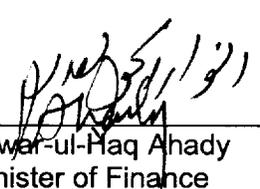
Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect. Capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement. This Amendment is prepared in both English and Dari. In the event of ambiguity 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 Fourteen 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

## ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

## Amendment No. 14

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 14	Amount Obligated in Amendment No. 14	Cumulative Obligations in FY 2005 - FY 2008 *	Amount Remaining to be Obligated/Realigned in FY 2008 - FY 2010 **	Total Estimated Contribution ***
<b>A THRIVING ECONOMY LED BY THE PRIVATE SECTOR</b>					
<b>USAID Grant Agreement No. SOAG-306-05-00</b>					
<b>Rehabilitate the rural economy</b>	<b>578,333</b>	<b>31,409</b>	<b>609,742</b>	<b>424,759</b>	<b>1,034,501</b>
Accelerate market-led growth in agriculture ****	136,217	6,868	143,085	141,315	284,400
Accelerate rural development to generate alternative livelihoods ****	442,116	24,542	466,657	283,444	750,101
<b>Increase Incomes through Economic Growth ****</b>	<b>196,126</b>	<b>40,259</b>	<b>236,385</b>	<b>107,800</b>	<b>344,186</b>
<b>Expand Improved Access to Economic Infrastructure</b>	<b>1,114,126</b>	<b>202,389</b>	<b>1,316,515</b>	<b>50,029</b>	<b>1,366,544</b>
Stabilize Energy Services and Make them Affordable and More Accessible ****	408,522	86,313	494,835	50,029	544,864
Expand and Improve Access to Transportation ****	689,876	99,676	789,552	0.009	789,552
Expand and Improve Access to Water Supplies and Sanitation ****	15,728	16,400	32,128	0.002	32,128
<b>USAID Program Support</b>	<b>26,918</b>	<b>-</b>	<b>26,918</b>	<b>16,002</b>	<b>42,920</b>
<b>TOTAL OBJECTIVE 5:</b>	<b>1,915,503</b>	<b>274,057</b>	<b>2,189,560</b>	<b>598,591</b>	<b>2,788,151</b>

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 \*\*\* - 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. 14**  
**In Thousands of U.S. Dollars**

	Program Area	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No. 14	Amount Obligated in Amendment No. 14	Cumulative Obligations in FY 2005 - FY 2008*	Amount Remaining to be Obligated/Reallocated in FY 2008 - FY 2010**	Total Estimated Contribution	
<b>ECONOMY LED BY THE PRIVATE SECTOR</b>								
<b>Agreement No. SOAG-306-05-00</b>								
Priority	4	Counter Narcotics	Alternative Development	474,306	24,542	498,847	272,714	771,561
Stability & Democratically	2	Good Governance	Economic Growth	2,000		2,000	-	2,000
People	3.1	Health	Water	15,728	16,400	32,128	-	24,200
Business	1	Macroeconomic Foundation for Growth	Economic Growth	-	3,454	3,454	-	-
	2	Trade and Investment	Economic Growth	40,196	801	40,997	14,003	55,000
	3	Financial Sectors	Economic Growth	-	2,294	2,294	-	-
	4	Infrastructure	Infrastructure	1,113,125	185,989	1,299,114	-	1,256,201
	5	Agriculture	Agriculture	121,218	3,865	125,083	98,105	284,400
	6	Private Sector Competitiveness	Economic Growth	127,939	12,182	140,121	213,768	353,889
	7	Economic Opportunities	Economic Growth	5,991	21,529	27,521	0.033	25,900
	8	Environment	Agriculture	15,000	3,003	18,003	-	15,000
<b>TOTAL OBJECTIVE 5:</b>			<b>1,915,503</b>	<b>274,057</b>	<b>2,189,560</b>	<b>598,591</b>	<b>2,788,151</b>	

\*References to "FY" refer to the USG fiscal year.  
 \*\*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

**Attachment E**

**For**

**USAID GRANT AGREEMENT No. 306-05-14**

**Fund Cite:**

Appropriation	Fund Code	Program Area	Program Element	Amount	Obligation Document #
728/91021-90	DV/2008/2009	A04	A016	\$ 20,029,306.00	306-SOAG-306-05-0005.00--4
728/91021-90	DV/2008/2009	A11	A054	\$ 11,894,608.00	306-SOAG-306-05-0005.00--9
728/91021-90	DV/2008/2009	A16	A066	\$ 2,168,590.00	306-SOAG-306-05-0005.00--6
728/91021-90	DV/2008/2009	A17	A069	\$ 29,639,926.00	306-SOAG-306-05-0005.00--7
728/91021-90	DV/2008/2009	A17	A071	\$ 20,019,537.00	306-SOAG-306-05-0005.00--8
728/91021-90	DV/2008/2009	A19	A076	\$ 4,850,752.00	306-SOAG-306-05-0005.00--6
728/91021-90	DV/2008/2009	A20	A080	\$ 8,499,295.00	306-SOAG-306-05-0005.00--6
728/91021-90	DV/2008/2009	A21	A085	\$ 3,002,930.00	306-SOAG-306-05-0005.00--5
728/91037-90	ES/2008/2009	A04	A016	\$ 4,509,334.00	306-SOAG-306-05-0005.00--4
728/91037-90	ES/2008/2009	A04	A105	\$ 2,861.00	306-SOAG-306-05-0005.00--4
728/91037-90	ES/2008/2009	A11	A054	\$ 4,505,122.00	306-SOAG-306-05-0005.00--9
728/91037-90	ES/2008/2009	A14	A060	\$ 3,253,408.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A14	A119	\$ 200,228.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A15	A121	\$ 800,910.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A16	A123	\$ 125,142.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A17	A069	\$ 55,312,396.00	306-SOAG-306-05-0005.00--7
728/91037-90	ES/2008/2009	A17	A071	\$ 74,318,506.00	306-SOAG-306-05-0005.00--8
728/91037-90	ES/2008/2009	A17	A125	\$ 6,698,753.00	306-SOAG-306-05-0005.00--10
728/91037-90	ES/2008/2009	A18	A074	\$ 3,204,241.00	306-SOAG-306-05-0005.00--5
728/91037-90	ES/2008/2009	A18	A126	\$ 660,751.00	306-SOAG-306-05-0005.00--5
728/91037-90	ES/2008/2009	A19	A076	\$ 4,326,483.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A19	A077	\$ 2,604,098.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A19	A129	\$ 400,456.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A20	A080	\$ 6,021,846.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A20	A082	\$ 5,406,146.00	306-SOAG-306-05-0005.00--6
728/91037-90	ES/2008/2009	A20	A131	\$ 1,601,821.00	306-SOAG-306-05-0005.00--6
<b>Total -</b>				<b>\$ 274,057,446.00</b>	

PHOENIX OBLIGATION  
 Amount: \$ 274,057,446.00  
*[Handwritten Signature]*  
 SEP 11 2008