

**STRATEGIC OBJECTIVE GRANT AGREEMENT**

**AMENDMENT NUMBER FIVE**

**BETWEEN THE**

**UNITED STATES OF AMERICA**

**AND**

**THE ISLAMIC REPUBLIC OF AFGHANISTAN**

**FOR**

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

Dated as of: September 18, 2006

APPN:  
BPC:  
RCN:

**AMENDMENT NO. FIVE  
TO  
STRATEGIC OBJECTIVE GRANT AGREEMENT**

AMENDMENT NUMBER FIVE 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 "GOA"), acting through the Ministry of Finance, dated as of September 18, 2006

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 the SOAG as of:

- September 30, 2005 (Amendment No. 1);
- April 6, 2006 (Amendment No. 2);
- May 11, 2006 (Amendment No. 3); and,
- June 28, 2006 (Amendment No. 4).

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

WHEREAS, USAID and the Grantee wish to amend the Agreement further to: (a) increase the USAID contribution by **Sixty Nine Million Six Hundred Ten Thousand Seven Hundred Forty Eight** United States (U.S.) Dollars (**U.S.\$ 69,610,748.00**); (b) increase the Grantee Contribution by the U.S. Dollar equivalent of **Twenty Six Million One Hundred Thousand** U.S. Dollars (**U.S.\$ 26,100,000**); (c) provide a mechanism for certain revisions to the illustrative financial plan; and (d) update the illustrative financial plan;

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

1. The first sentence in Section 3.1(a), The Grant, of the Agreement is deleted in its entirety and the following is substituted therefor: "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 **Eight Hundred Sixty Five Million One Hundred Forty-Four Thousand Forty Four And Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S.\$ 865,144,044.82**) (the 'Grant')."
2. The first sentence of Section 3.2 (b) of the Agreement is deleted in its entirety and the following is substituted therefor: "The Grantee's contribution, based on USAID's contribution in section 3.1(a), will not be less than the equivalent of **Fifty Million** U.S. Dollars (**U.S.\$ 50,000,000**), including in-kind contributions."
3. Article III, Funding, of Annex 1 to the Agreement is amended by adding, at the end thereof, the following sentence:

"In addition, after such financial plan has been approved by the Parties or a revised financial plan has been approved by the Parties through an amendment to this Agreement or an Implementation Letter, changes between line items of such approved financial plan currently in effect may be made by USAID without prior

consultation with the Grantee, provided that such changes do not, in the aggregate, affect more than fifteen percent (15%) of USAID's contribution under this Agreement, as specified in Section 3.1 (a) of the Agreement."

4. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan included as Attachment A to this Amendment is substituted therefor.

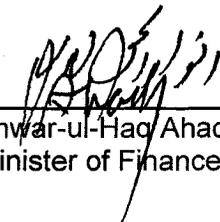
All other terms and conditions of the Agreement remain unchanged and in full force and effect. This Amendment is prepared in both English and Dari (capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement). In the event of ambiguity or conflict between the two versions, the English language version will control.

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

THE UNITED STATES OF AMERICA

THE ISLAMIC REPUBLIC OF AFGHANISTAN

By:   
Name: Leon S. Waskin  
Title: Director, USAID Mission to  
Afghanistan

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

## ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 5		Amount Obligated in Amendment No. 5		Cumulative Obligations in FY 2005 - FY 2006 *		Amount Remaining to be Obligated in FY 2007 - FY 2010 **		Total Estimated Contribution	
	USAID	Grantee	USAID	Grantee	USAID	Grantee	USAID	Grantee	USAID	Grantee
<b>A THRIVING ECONOMY LED BY THE PRIVATE SECTOR</b>										
USAID Grant Agreement No. SOAG-306-05-00										
Rehabilitate the rural economy	226,688		13,114		239,800		784,701		1,034,501	
Accelerate market-led growth in agriculture ***	52,471		1,948		60,420		228,980		284,400	
Accelerate rural development to generate alternative livelihoods --	174,215		5,166		179,381		570,720		750,101	
Increase incomes through Economic Growth ***	76,181		17,418		93,269		388,520		451,789	
Expand Improved Access to Economic Infrastructure	408,315		33,378		507,694		761,246		1,258,940	
Stabilize Energy Services and Make them Affordable and More Accessible ***	187,822		27,005		214,622		569,826		604,448	
Expand and Improve Access to Transportation	207,288		12,579		279,644		150,848		430,282	
Expand and Improve Access to Water Supplies and Sanitation	13,205		3,294		13,428		210,772		224,200	
USAID Program Support	24,380				24,380		15,540		42,920	
<b>TOTAL OBJECTIVE 5:</b>	<b>706,434</b>	<b>23,900</b>	<b>53,911</b>	<b>26,100</b>	<b>665,144</b>	<b>50,000</b>	<b>1,923,606</b>	<b>212,900</b>	<b>2,788,150</b>	<b>262,900</b>

NOTE \* -- References to "FY" refer to the USG fiscal year for the USAID contribution and the GOA contributions beginning in the second half of Afghan year 1384

NOTE \*\* -- These funds are subject to the availability of funds to USAID and the Grantee and the other conditions set forth respectively in Section 3.1 (b) and Section 3.2 (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