

USAID Grant Agreement No. 306-05-12

**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 THRIVING ECONOMY LED BY THE PRIVATE
SECTOR**

Dated as of: April 10, 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 April 10, 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); and,
- September 30, 2007 (Amendment No. 11).
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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 **Seventy Nine Million Thirty Three Thousand Eight Hundred Twenty Two** United States (U.S.) Dollars (**U.S. \$79,033,822.00**); 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:

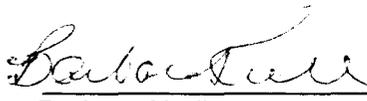
1. The first sentence in Section 3.1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof: "(a) The Grant. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed **One Billion Nine Hundred Thirty Million Five Hundred Two Thousand Six Hundred Fifty One and Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S. \$ 1,930,502,651.82**) (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.

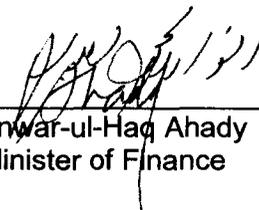
Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect. Capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the Agreement This Amendment is prepared in both English and Dari. In the event of ambiguity or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

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

Appropriation: 728/91021-90
Fund Code : NOA ESF 2008/2009 (ESF)

Program Area: A04
Program Element A016
Amount: \$50,952,005
Co: 306-SOAG-306-05-0005.00--4

Program Area: A04
Program Element A105
Amount: \$2,513,000
Co: 306-SOAG-306-05-0005.00--4

Program Area: A17
Program Element A125
Amount: \$1,000,000
Co: 306-SOAG-306-05-0005.00--10

Program Area: A18
Program Element A073
Amount: \$250,000
Co: 306-SOAG-306-05-0005.00--5

Program Area: A18
Program Element A074
Amount: \$7,000,000
Co: 306-SOAG-306-05-0005.00--5

Program Area: A18
Program Element A127
Amount: \$1,518,817
Co: 306-SOAG-306-05-0005.00--5

Program Area: A19
Program Element A077
Amount: \$1,000,000
Co: 306-SOAG-306-05-0005.00--6

Program Area: A19
Program Element A078
Amount: \$2,000,000
Co: 306-SOAG-306-05-0005.00--5

Appropriation: 728/91021-90
Fund Code : NOA DA 2008/2009 (DA)

Program Area: A15
Program Element A063
Amount: \$8,000,000
Co: 306-SOAG-306-05-0005.00--6

Program Area: A19
Program Element A077
Amount: \$4,800,000
Co: 306-SOAG-306-05-0005.00--5

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 in FY 2008 - 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	516,099	62,234	578,333	456,168	1,034,501
Accelerate market-led growth in agriculture ***	127,449	8,769	136,217	148,183	284,400
Accelerate rural development to generate alternative livelihoods --	388,651	53,465	442,116	307,985	750,101
Increase Incomes through Economic Growth ***	180,326	15,800	196,126	255,663	451,789
Expand Improved Access to Economic Infrastructure	1,128,126	1,000	1,129,126	129,814	1,258,940
Stabilize Energy Services and Make them Affordable and More Accessible ***	408,022	500	408,522	195,926	604,448
Expand and Improve Access to Transportation	704,376	500	704,876	(274,584)	430,292
Expand and Improve Access to Water Supplies and Sanitation	15,728	-	15,728	208,472	224,200
USAID Program Support	26,918	-	26,918	16,002	42,920
TOTAL OBJECTIVE 5:	1,851,469	79,034	1,930,503	857,647	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. 12
In Thousands of U.S. Dollars

Objective	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 in FY 2008 - FY 2010**	Total Estimated Contribution		
IMPROVING ECONOMY LED BY THE PRIVATE SECTOR										
Grant Agreement No. SOAG-306-05-00										
Individual Security	Counter Narcotics	1.4.2	Alternative Development & Alternative Livelihoods	Rehabilitate the Rural Economy Accelerate Rural Development to generate Alternative	404,963	50,952	455,915	294,186	750,101	
		1.4.5	Program Support (Narcotics)	USAID Program Support	15,878	2,513	18,391	3,069	21,460	
				420,841	53,465	474,306	297,255.395	771,561		
Doing Justly & Equally	2	Good Governance	2.2.3	Local Government and Decentralization	Economic Growth	2,000	-	2,000	2,000	
				2,000	-	2,000		2,000		
Benefit in People	3.1	Health	3.1.8	Water Supply and Sanitation	Expand and Improve Access to Water Supplies and Sanitation	15,728	-	15,728	208,472	224,200
						15,728	-	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	31,496	8,000	39,496	10,504	50,000
			4.2.3	Program Support (Trade)	Program Support (Trade)	700	-	700	4,300	5,000
	4	Infrastructure	4.4.1	Modern Energy Services	Stabilize Energy Services and Make them Affordable and More Accessible	408,022	-	408,022	196,426	604,448
			4.4.3	Transport Services	Expand and Improve Access to Transportation	704,376	-	704,376	(274,084)	430,292
			4.4.4	Infrastructure Program Support	USAID Program Support	14,727	1,000	15,727	5,733	21,460
	5	Agriculture	4.5.1	Agriculture Enabling Environment	Agriculture	69,168	250	69,418	114,982	184,400
			4.5.2	Agricultural Sector productivity	Agriculture	40,762	7,000	47,762	2,238	50,000
			4.5.3	Program Support (Agriculture)	Agriculture	2,519	1,519	4,038	45,962	50,000
	6	Private Sector Competitiveness	4.6.1	Business Enabling Environment	Business Enabling Environment	107,169	-	107,169	229,445	336,614
			4.6.2	Private Sector Productivity	Economic growth	4,575	5,800	10,375	(5,800)	4,575
			4.6.3	Workforce Development	Economic growth	3,600	2,000	5,600	(2,000)	3,600
			4.6.4	Program Support (Private Sector)	Program Support (Private Sector)	1,300	-	1,300	3,700	5,000
	7	Economic Opportunities	4.7.1	Inclusive Financial Markets	Inclusive Financial Markets	8,721	-	8,721	16,279	25,000
			4.7.5	Program Support (Econ)	Economic growth	765	-	765	4,235	5,000
8	Environment	4.8.1	Natural Resources and Biodiversity	Biodiversity Conservation & Reforestation	15,000	-	15,000	-	15,000	
				1,412,900	25,569	1,438,469	351,920	1,790,389		
TOTAL OBJECTIVE 5:				1,851,469	79,034	1,930,503	857,647	2,788,150		

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