

USAID Grant Agreement No. 306-05-15

AMENDMENT NUMBER FIFTEEN

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 25, 2008

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

AMENDMENT NUMBER FIFTEEN 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 25, 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);
- May 29, 2008 (Amendment No. 13); and,
- September 21, 2008 (Amendment No. 14);

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 **Four Hundred Twenty Million Seven Hundred Ninety Eight Thousand** United States (U.S.) Dollars (**U.S. \$420,798,000.00**); (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 contribution in the amount of Twenty Nine Million Nine Hundred Thirty Thousand U.S. Dollars (U.S. \$29,930,000) to this Strategic Objective by USAID/Washington in support of the Agriculture Program Area.

WHEREAS, USAID and IROA acknowledge that programming decisions for the use of these funds shall be made in coordination with the appropriate Ministry, and such decisions shall be recorded in PILs with countersignature by the relevant Minister and the Minister of Finance.

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 Six Hundred Ten Million Three Hundred Fifty Eight Thousand Ninety Seven and Eighty-Two Hundredths** United States (U.S.) Dollars (U.S. \$ **2,610,358,097.82**) (the 'Grant')."

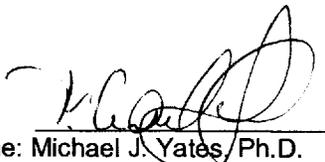
2. The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof.
3. The following paragraph is added to the end of the Section 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 \$29,930,000 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 Fifteen to be signed in their names and delivered as of the day, month and year first written above.

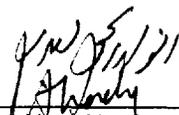
FOR THE UNITED STATES OF AMERICA

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. 15

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 15	Amount Obligated in Amendment No. 15	Cumulative Obligations in FY 2005 - FY 2008 *	Amount Remaining to be Obligated/Realigned 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	609,742	63,798	673,540	110,989	784,529
Accelerate market-led growth in agriculture ****	143,085		143,085	41,344	184,429
Accelerate rural development to generate alternative livelihoods ****	466,657	63,798	530,455	69,645	600,100
Increase Incomes through Economic Growth ****	236,385	7,000	243,385	50,801	294,186
Expand Improved Access to Economic Infrastructure	1,316,515	350,000	1,666,515	16,002	1,682,517
Stabilize Energy Services and Make them Affordable and More Accessible ****	494,835	150,000	644,835	-	644,835
Expand and Improve Access to Transportation ****	789,552	200,000	989,552	16,002	1,005,554
Expand and Improve Access to Water Supplies and Sanitation ****	32,128		32,128	-	32,128
USAID Program Support	26,918	-	26,918	-	26,918
TOTAL OBJECTIVE 5:	2,189,560	420,798	2,610,358	177,792	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 *** -- 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. 15
In Thousands of U.S. Dollars

Objective	Program Area	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No. 15	Amount Obligated in Amendment No. 15	Cumulative Obligations in FY 2005 - FY 2008*	Amount Remaining to be Obligated/Realigned in FY 2008 - FY 2010**	Total Estimated Contribution
A THRIVING ECONOMY LED BY THE PRIVATE SECTOR							
USAID Grant Agreement No. SOAG-306-05-00							
1. Peace and Security	4 Counter Narcotics	Alternative Development	498,847	63,798	562,645	58,916	621,561
2. Governing Justly & Democratically	2 Good Governance	Economic Growth	2,000		2,000	-	2,000
3. Investing in People	3.1 Health	Water	32,128		32,128	-	32,128
4. Economic Growth	1 Macroeconomic Foundation for Growth	Economic Growth	3,453		3,453	-	3,453
	2 Trade and Investment	Economic Growth	40,997	7,000	47,997	7,003	55,000
	3 Financial Sectors	Economic Growth	2,294		2,294	-	2,294
	4 Infrastructure	Infrastructure	1,299,114	350,000	1,649,114	-	1,649,114
	5 Agriculture	Agriculture	125,083		125,083	48,106	173,189
	6 Private Sector Competitiveness	Economic Growth	140,121		140,121	63,767	203,888
	7 Economic Opportunities	Economic Growth	27,520		27,520	-	27,520
	8 Environment	Agriculture	18,003		18,003	-	18,003
TOTAL OBJECTIVE 5:			2,189,560	420,798	2,610,358	177,792	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