

USAID Grant Agreement No. 391-010-03

PROGRAM ASSISTANCE AGREEMENT

AMENDMENT NUMBER THREE

BETWEEN

THE UNITED STATES OF AMERICA

AND

THE ISLAMIC REPUBLIC OF PAKISTAN

FOR

THE FEDERALLY ADMINISTERED TRIBAL  
AREAS DEVELOPMENT PROGRAM

May <sup>15</sup> 2009

Islamic Republic of Pakistan )  
City of Islamabad ) SS:  
Embassy of the )  
United States of America )

I, Vice Consul of the United States of America at Islamabad, Pakistan, do hereby certify and qualify, do hereby certify that the foregoing is a true and faithful copy of the original, the same having been carefully examined by me and compared with the said original and found to agree therewith word for word and figure for figure.

IN WITNESS WHEREOF I have here unto set my hand and affixed the seal of the Embassy of the United States of America at Islamabad, Pakistan, this 27 day of May, 2009.

*[Signature]*  
VICE CONSUL OF THE UNITED STATES OF AMERICA

FUNDS AVAILABLE  
OFM / Accounting Section  
Amount: \$ 21,500,000.00

*[Signature]*

<> Context Clearance only  
Posted By: *[Signature]* On: 5/27  
Cleared By: *[Signature]* On: 5/27  
PNX TRNITY co/ct

**Fiscal Data:**

Phoenix Obligation Doc No. 391-SOAG-0010-03

BBFY	Fund	Program Area	Program Element	Distribution	SOC	Amount
2009	ES-SUP	A17	A071	391-M	4100100	\$7,000,000
2009	ES-SUP	A18	A074	391-M	4100100	\$7,000,000
2009	ES-SUP	A19	A078	391-M	4100100	\$4,500,000
2009	ES-SUP	A20	A082	391-M	4100100	\$3,000,000
<b>Total Obligation:</b>						<b>\$21,500,000</b>

**AMENDMENT NUMBER THREE TO THE PROGRAM ASSISTANCE 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 Pakistan, acting through the Economic Affairs Division of the Ministry of Economic Affairs and Statistics ("GOP" or "Grantee")

**WHEREAS**, the GOP and USAID entered into a Program Assistance Grant Agreement for the Federally Administered Tribal Areas Development, Grant Agreement No. 391-010, dated September 30, 2007, as amended by Amendment Number One dated September 22, 2008 and Amendment Number Two dated December 18, 2008 (the "Agreement");

**WHEREAS**, USAID and the Grantee wish to further amend the Agreement to increase the USAID contribution by US\$21,500,000 for a total amount of US\$104,962,413; and

**WHEREAS**, USAID and the Grantee wish to further amend the Agreement to increase the Grantee contribution to an amount not less than US\$26,240,603;

**NOW THEREFORE**, the Parties to the Agreement hereby agree as follows:

**A. USAID Contribution:**

1. **The Grant.** Section 3.1(a), "The Grant," is hereby amended and restated as follows:

"To help achieve the Objectives 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 the Agreement an amount not to exceed one hundred four million, nine hundred sixty two thousand, four hundred and thirteen United States ("U.S.") Dollars (\$104,962,413)(the "Grant").

2. **Illustrative Financial Plan, Annex 1, Amplified Description.** The Illustrative Financial Plan in Section III (Funding), of Annex 1 (Amplified Description) of the Agreement, is deleted in its entirety and replaced by the Illustrative Financial Plan attached hereto as Attachment A. Attention is drawn to the Financial Plan for purposes of indicating that in accordance with Section 3.2(b) of the Agreement, the Grantee will contribute \$26,240,603, which is equivalent of one-quarter of USAID's contribution, to support activities that directly benefit the Grantee or directly and substantially involve the Government of Pakistan in the administration, management or control of assistance.

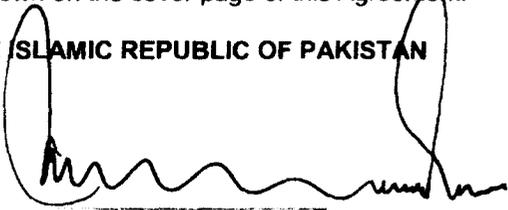
**B. Other Terms and Conditions:** All other terms and conditions of the Agreement remain unchanged and in full force and effect.

**IN WITNESS WHEREOF**, the United States of America and the Government of Pakistan, each acting through its duly authorized representatives, have caused this Amendment Number Three to be signed in their names and delivered as of the date shown on the cover page of this Agreement.

**UNITED STATES OF AMERICA**

By:   
Name: Robert Wilson  
Title: Director  
USAID Mission to Pakistan

**THE ISLAMIC REPUBLIC OF PAKISTAN**

By:   
Name: Farrakh Qayyum  
Title: Secretary  
Economic Affairs Division

## Attachment A

**Program Assistance Grant Agreement  
Amendment No. 3  
Federally Administered Tribal Areas Development Program  
Illustrative Financial Plan**

	Total Obligated To date	Obligated through Amendment 3	Total
<b>AGREEMENT TOTAL</b>	<b>\$33,462,713</b>	<b>\$21,500,000</b>	<b>\$33,462,713</b>
<b>Governing Justly &amp; Democratically</b>	<b>\$21,000,000</b>		<b>\$21,000,000</b>
Good Governance	\$15,500,000		\$15,500,000
Local Government and Decentralization	\$15,034,060		\$15,034,060
Administration & Oversight (Governance)	\$465,940		\$465,940
Civil Society	\$5,500,000		\$5,500,000
Civic Participation	\$1,500,000		\$1,500,000
Media Freedom and Freedom of Information	\$3,600,000		\$3,600,000
Program Support (Civil Society)	\$400,000		\$400,000
<b>Investing in People</b>	<b>\$18,600,000</b>		<b>\$18,600,000</b>
Health	\$8,600,000		\$8,600,000
HIV/AIDS	\$600,000		\$600,000
Other Public Health Threats			
Maternal and Child Health	\$6,800,000		\$6,800,000
Water Supply and Sanitation	\$1,200,000		\$1,200,000
Education	\$10,000,000		\$10,000,000
Basic Education	\$10,000,000		\$10,000,000
<b>Economic Growth</b>	<b>\$13,862,413</b>	<b>\$21,500,000</b>	<b>\$35,362,413</b>
Trade and Investment			
Trade and Investment Enabling Environment			
Trade and Investment Capacity			
Program Support (Trade and Investment)			
Infrastructure	\$6,467,132	\$7,000,000	\$13,467,132
Modern Energy Services	\$4,067,132		\$4,067,132
Transport Services	\$2,400,000	\$7,000,000	\$9,400,000
Agriculture	\$10,149,000	\$7,000,000	\$17,149,000
Agriculture Enabling Environment	\$1,200,000		\$1,200,000
Agriculture Sector Productivity	\$8,949,000	\$7,000,000	\$15,949,000
Private Sector Competitiveness	\$15,670,000	\$4,500,000	\$20,170,000
Business Enabling Environment			
Private Sector Productivity			
Workforce Development	\$14,470,000	\$4,500,000	\$18,970,000
Program Support (Private Sector)	\$1,200,000		\$1,200,000
<b>Economic Opportunity</b>	<b>\$11,576,281</b>	<b>\$3,000,000</b>	<b>\$14,576,281</b>
Strengthen Micro-enterprise Productivity	\$11,140,500	\$3,000,000	\$14,140,500
Administration & Oversight (Economic Opportunity)	\$435,781		\$435,781

<b>Grantee's Contribution</b>	<b>\$26,240,603</b>	<b>\$26,240,603</b>
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Changes may be made to the Financial Plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

Note: This Agreement is for U.S. \$104,962,413, but USAID funding in FATA also includes:

1. U.S. \$41,000,000 for USAID's Office of Transition Initiatives (OTI), which will be obligating funds under the "Governing Justly & Democratically" and "Economic Growth" objectives through separate mechanisms.