

USAID Agreement No. 391-PEPA-11-6

AMENDMENT NUMBER SIX

TO THE

PAKISTAN ENHANCED PARTNERSHIP AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND THE

ISLAMIC REPUBLIC OF PAKISTAN

June 27, 2012

FISCAL DATA (Amount in USD)

| <u>Obligation Number</u> | <u>PA PE</u> | <u>ES - 11/12</u> |
|--------------------------|--------------|------------------------------|
| 391-PEPA-11-EDU-6 | A12 A055 | 78,126,111.00 |
| | A12 A056 | 26,577,225.00 |
| 391-PEPA-11-EG-6 | A14 A060 | 5,000,000.00 |
| | A19 A076 | 6,000,000.00 |
| | A19 A077 | 16,000,000.00 |
| 391-PEPA-11-AGR-6 | A18 A073 | 15,000,000.00 |
| | A18 A074 | 22,000,000.00 |
| 391-PEPA-11-CC-6 | A26 A140 | 7,788,374.00 |
| | A27 A141 | 13,057,134.00 |
| TOTALS | | <u>189,548,844.00</u> |

| FUNDS AVAILABLE | |
|------------------------|--------------------|
| Doc No | _____ |
| Fund/BFY | ES 11/12 |
| EOCC | _____ |
| PA/PE: | Doc Type CO-CT/ |
| Amount: | \$ 189,548,844.00 |
| Posted by: | TAQ Date 6.27.12 |
| Cleared by: | _____ Date 6.27.12 |

AMENDMENT NUMBER SIX
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PAKISTAN ENHANCED PARTNERSHIP AGREEMENT
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June 27, 2012

**AMENDMENT NUMBER SIX TO THE
PAKISTAN ENHANCED PARTNERSHIP AGREEMENT**

This is Amendment Number Six (this "Amendment") to the Pakistan Enhanced Partnership Agreement between the United States of America, acting through the United States Agency for International Development (USAID) and the Islamic Republic of Pakistan, acting through the Economic Affairs Division (EAD) of the Ministry of Economic Affairs and Statistics ("Grantee" and together with USAID, the "Parties"), dated September 30, 2010 (as amended, the "Agreement").

WHEREAS, the Parties entered into Amendment Number One to the Agreement on December 23, 2010 to incrementally obligate an additional amount of U.S. **\$194,000,000**;

WHEREAS, the Parties entered into Amendment Number Two to the Agreement on January 6, 2011 to modify the requirements for financial tracking of non-cash transfer funding arrangements;

WHEREAS, the Parties entered into Amendment Number Three to the Agreement on September 28, 2011 to incrementally obligate an additional amount of U.S. **\$14,122,795**;

WHEREAS, USAID's Office of Transition Initiatives (OTI) obligated **\$10,000,000** in Washington, DC to support their activities in the FATA;

WHEREAS, the Parties entered into Amendment Number Four to the Activity Agreement on December 2, 2011 to incrementally obligate an additional amount of U.S. **\$161,749,472**; and

WHEREAS, the Parties entered into Amendment Number Five to the Activity Agreement on March 28, 2012 to incrementally obligate an additional amount of U.S. **\$187,433,302**; and

WHEREAS, the Parties desire to make Amendment Number Six to the Activity Agreement to incrementally obligate an additional amount of U.S. **\$189,548,844**, for the purposes set forth in Attachment B and introduce other changes as specified below.

NOW, THEREFORE, the Agreement is amended as follows:

1. Section 3.1(a) of the Agreement is hereby deleted in its entirety and replaced by the following:
 - (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 the Agreement an amount not to exceed One Billion Five Hundred Seventy Eight Million One Hundred Eighty Nine Thousand Four Hundred and Thirteen United States ("U.S.") dollars (U.S. **\$1,578,189,413**) (the "Grant").
2. The summary table on page 1 of Annex 1 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment A of this Amendment.

3. Table 1-B of Annex 1-B2 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment C of this Amendment.
4. Table 1-B of Annex 1-C1 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment D of this Amendment.
5. Table 1-B of Annex 1-C2 of the Agreement is hereby deleted in its entirety and replaced by the table in Attachment E of this Amendment.
6. Within thirty days (30) of signing this Amendment, USAID will submit revised Amplified Descriptions of activities in accordance with Section 2.2 of the Agreement.
8. Except as amended hereby, all other terms, conditions and provisions of the Agreement remain in full force and effect in accordance with all of its terms.

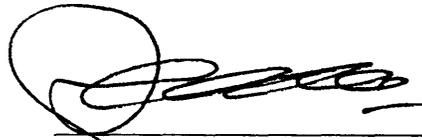
[signature page follows]

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

UNITED STATES OF AMERICA

By: 
Name: Karen Freeman
Title: Acting Mission Director

ISLAMIC REPUBLIC OF PAKISTAN

By: 
Name: Iftikhar Ahmed Rao
Title: Additional Secretary, Economic
Affairs Division

Attachments:

- A Summary Table on page 1 of Annex 1
- B Overview of the Use of Obligated FY 2011 Funds – Amendment 6
- C Table 1-B of Annex 1-B2
- D Table 1-B of Annex 1-C1
- E Table 1-B of Annex 1-C2

Attachment A

Summary Table on page 1 of Annex 1

| Amplified Description Name | 2010 | 2011 | | | Total (FY 2010- 2011) | * Obligated in Washington to Support PEPA Activities (FY2011) |
|----------------------------------------------------|---------------|-------------|------------------------------------|-------------|-----------------------------|---------------------------------------------------------------------|
| | | Previous | This Amendment (Amendment 6) | Total | | |
| Democracy & Governance | 74,978,839 | 25,626,590 | - | 25,626,590 | 100,605,429 | |
| Health | 143,818,774 | 95,581,944 | - | 95,581,944 | 239,400,718 | |
| Education | 159,621,237 | - | 116,711,036 | 116,711,036 | 276,332,273 | |
| Economic Opportunity | 61,477,751 | - | 29,728,708 | 29,728,708 | 91,206,459 | |
| Agriculture | 50,775,676 | 54,689,240 | 43,109,100 | 97,798,340 | 148,574,016 | |
| Energy | 58,325,000 | - | - | - | 58,325,000 | |
| Stabilization & Countering Violent Extremism ** | 300,460,518 | 173,285,000 | - | 173,285,000 | 473,745,518 | 10,000,000 |
| FATA | 209,960,518 | 171,785,000 | - | 171,785,000 | 381,745,518 | 10,000,000 |
| KP | 90,500,000 | 1,500,000 | - | 1,500,000 | 92,000,000 | |
| Social and Humanitarian Assistance | 190,000,000 | - | - | - | 190,000,000 | |
| | 1,039,457,795 | 349,182,774 | 189,548,844 | 538,731,618 | 1,578,189,413 | 10,000,000 |

(*) These Funds, as part of the funds appropriated by Congress for USAID/Pakistan, were obligated in Washington, DC by USAID's Office of Transition Initiatives (OTI) for use to support the Pakistan Transition Initiative Project.

(**) Stabilization & Countering Violent Extremism represents the total of FATA and KP.

Attachment B
**Overview of the Use of Obligated FY 2011 Funds –
Amendment 6**

EDUCATION

Basic Education

The United States acknowledges that Pakistan's future economic prospects are integrally linked to improvements in the nation's education systems. High quality basic and higher education gives students the cognitive skills they need to prosper in the job market.

To assist the GOP's effort to improve Education, United States, through USAID will provide funding to enhance the delivery of education services in vulnerable areas. The program will focus primarily on improving access to education through infrastructure improvements, reconstruction of schools in flood-affected districts, technical assistance to the provincial Departments of Education, and funding school councils in target districts. The program will help strengthen provincial governments' abilities to deliver quality education and empower communities to be involved in the basic education of their children. Where capacity or transparency concerns would result in too high a risk for resources to be put through provincial government mechanisms, assistance will be provided through international and local contractors or NGOs. For example, in Sindh, a portion of the resources is going through the Provincial Government for school construction while other activities, such as community mobilization will be implemented by an NGO.

FY 2011 funds will be used to continue basic education programs which support improved teacher education and professional development by providing institutional and academic support centered on student achievement and learning outcomes.

Higher Education

USAID will support higher education through the Centers for Advanced Studies Program. FY 2011 funds will support the establishment of three centers, in the areas of agriculture, energy and water, at three distinct Pakistani universities, which have been selected in conjunction with the Higher Education Commission, through a rigorous third-party assessment. The Centers will be the product of a series of highly focused, long-term, and mutually-beneficial partnerships between leading Pakistani and American universities. USAID anticipates that the Centers will train 300-400 professionals a year within four years of the start of the program. Activities include professional/leadership development, participant training, academic linkages, in-country scholarships, infrastructure and equipment improvements, and American-Pakistani university partnerships. USAID will implement through Pakistani and U.S. universities and local Pakistani contractors.

Indicators used to measure results:

- Number of primary school classrooms with class-room level reading interventions.
Results Achieved to date: 11,000
- Number of teachers, educators, teaching assistants, and tertiary faculty whose skills are strengthened through USG-supported education programs.
Results Achieved to date: 4,741

ECONOMIC GROWTH & AGRICULTURE

USAID has started a new Agribusiness Project to improve the competitiveness of livestock, dairy and horticulture value chains in Pakistan by increasing productivity; improving storage, processing and handling; strengthening market linkages; and increasing trade. FY 2011 funds will help link farmers to new technologies, practices and financing. Livestock, dairy and horticulture were chosen because of the potential for growth, jobs and benefit to small farmers, particularly women. This program will build upon outcomes from the Firms program, discussed in detail later in this section. Key objectives include: a) improved efficiency in agricultural production, processing and marketing; b) increased on-farm and off-farm employment opportunities for rural and urban residents; c) expanded foreign and domestic direct private investment in agriculture and agribusiness activities; d) increased producer and processor incomes; and e) improved national food security. Anticipated partners include the private sector, nongovernmental organizations (NGOs - including but not limited to farmer and trade organizations), provincial governments and financial sector entities. A portion of these funds will support the on-going Smallholder Dairy Project implemented by the Dairy Rural Development Foundation.

USAID will further support development of specific sectors by continuing the Firms program. This program aims to undercut one basis of extremism by improving the business environment and developing internationally competitive firms to accelerate sales, investment, and job growth, which is being implemented through local public and private institutions. Specifically, the program has helped Pakistan identify and remove constraints to private sector development and job growth in targeted locations through improved GOP planning and budgeting, policy reform per international best practices, and streamlined regulations and procedures at the national, provincial and district levels.

FY 2011 funds will fund the Agriculture Policy Project. The project will promote an improved macroeconomic and sector-enabling environment focused on: 1) open markets, private investment and trade; 2) improved water management and irrigation; 3) poverty reduction and job creation; and 4) increased agricultural productivity. The project will strengthen Pakistani policy institutions to provide ongoing analytical expertise, policy advice, and advocacy going forward. A portion of the program will support government reform efforts to remove trade barriers, facilitate regional trade.

FY 2011 funds will also be used for interventions to help reposition Pakistan's economy and put it on a more globally competitive footing.

Indicator used to measure results:

- Number of rural households benefitting directly from USAID interventions (including rehabilitation of communal irrigation structures and flood-damaged fisheries and hotels, provision of training and business support services to micro-entrepreneurs, and supply of tools, livestock, feed, and seed to conflict-affected families).

Result Achieved to date: 701,341

Attachment C
Table 1-B of Annex 1-B2

| Sector | Total Base/Supp. FY 2010 | Amendment 4 additional Incremental Funding (FY 2011) | Amendment 5 additional Incremental Funding (FY 2011) | Amendment 6 Additional Incremental Funding (FY2011) | Current Total Obligations FY 2010/2011 |
|-------------------------------------------------------------|--------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------|
| Investing In People | | | | | |
| Education | | | | | |
| Basic Education | 134,031,984 | - | - | 78,126,111 | 212,158,095 |
| Higher Education | 8,600,000 | - | - | 26,577,225 | 35,177,225 |
| Program Development & Administrative Costs | | | | | |
| Direct Program Support - Program Design & Learning (PD&L) | 300,000 | - | - | - | 300,000 |
| Direct Program Support - Administration & Oversight (A&O) | 1,700,000 | - | - | - | 1,700,000 |
| Indirect Program Support - Program Design & Learning (PD&L) | 6,496,000 | - | - | 5,017,123 | 11,513,123 |
| Indirect Program Support - Administration & Oversight (A&O) | 8,493,253 | - | - | 6,990,577 | 15,483,830 |
| TOTAL | 159,621,237 | - | - | 116,711,036 | 276,332,273 |

Attachment D
Table 1-B of Annex 1-C1

| Sector | Total Base/Supp. FY 2010 | Amendment 4 additional Incremental Funding (FY 2011) | Amendment 5 additional Incremental Funding (FY 2011) | Amendment 6 Additional Incremental Funding (FY2011) | Current Total Obligations FY 2010/2011 |
|-------------------------------------------------------------|--------------------------|------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|----------------------------------------|
| Economic Growth | | | | | |
| Macroeconomic Foundation for Growth | | | | | |
| Fiscal Policy | - | - | - | 5,000,000 | 5,000,000 |
| Trade and Investment | | | | | |
| Trade and Investment Enabling Environment | 3,687,317 | - | - | - | 3,687,317 |
| Financial Sector | | | | | |
| Financial Sector Enabling Environment | 3,840,000 | - | - | - | 3,840,000 |
| Financial Sector Capacity | 6,065,000 | - | - | - | 6,065,000 |
| Infrastructure | | | | | |
| Transport Services | 700,000 | - | - | - | 700,000 |
| Private Sector Competitiveness | | | | | |
| Business Enabling Environment | 12,698,165 | - | - | 6,000,000 | 18,698,165 |
| Private Sector Capacity | 14,238,723 | - | - | 16,000,000 | 30,238,723 |
| Economic Opportunity | | | | | |
| Strengthen Microenterprise Productivity | 9,970,000 | - | - | - | 9,970,000 |
| Program Development & Administrative Costs | | | | | |
| Direct Program Support - Program Design & Learning (PD&L) | 1,100,000 | - | - | - | 1,100,000 |
| Direct Program Support - Administration & Oversight (A&O) | 2,500,000 | - | - | - | 2,500,000 |
| Indirect Program Support - Program Design & Learning (PD&L) | 1,000,000 | - | - | 1,604,225 | 2,604,225 |
| Indirect Program Support - Administration & Oversight (A&O) | 5,678,546 | - | - | 1,124,483 | 6,803,029 |
| TOTAL | 61,477,751 | - | - | 29,728,708 | 91,206,459 |

Attachment E
Table 1-B of Annex 1-C2

| Sector | Total Base/Supp. FY 2010 | Amendment 4 additional Incremental Funding (FY 2011) | Amendment 5 additional Incremental Funding (FY 2011) | Amendment 6 Additional Incremental Funding (FY2011) | Current Total Obligations FY 2010/2011 |
|-------------------------------------------------------------------|--------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|
| Economic Growth | | | | | |
| Agriculture | | | | | |
| Agricultural Enabling Environment | - | - | - | 15,000,000 | 15,000,000 |
| Agricultural Sector Capacity | 45,544,496 | - | 48,114,268 | 22,000,000 | 115,658,764 |
| Program Development & Administrative Costs | | | | | |
| Direct Program Support - Program Design & Learning (PD&L) | 1,300,000 | - | 1,000,000 | - | 2,300,000 |
| Direct Program Support - Administration & Oversight (A&O) | 1,300,000 | - | 3,001,348 | - | 4,301,348 |
| Indirect Program Support - Program Design & Learning (PD&L) | 1,100,000 | - | 2,573,624 | 1,167,026 | 4,840,650 |
| Indirect Program Support - Administration & Oversight (A&O) | 1,531,180 | - | - | 4,942,074 | 6,473,254 |
| TOTAL | 50,775,676 | - | 54,689,240 | 43,109,100 | 148,574,016 |



CERTIFICATION OF TRUE COPY

VENUE

Islamic Republic of Pakistan

(Country)

City of Islamabad

(State, Province, etc.)

Embassy of the

(City)

United States of America

(Name of Consular Post)

I certify that the annexed document is a true and faithful copy of the original, and that it has been carefully examined by me, compared with the said original, and found to agree with it word for word and figure for figure.

(Signature of Consular Officer)

Thomas Scott Brown

(Typed Name of Consular Officer)

Consul

(Title of Consular Officer)

09-11-2012

Date (mm-dd-yyyy)

(SEAL)