

USAID Grant Agreement No. 306-05-16

AMENDMENT NUMBER SIXTEEN

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: December 4, 2008

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

AMENDMENT NUMBER SIXTEEN 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 December 4, 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);
- September 21, 2008 (Amendment No. 14); and,
- September 25, 2008 (Amendment No. 15)

The SOAG 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 **Two Hundred Four Million United States (U.S.) Dollars (U.S. \$204,000,000.00)**; 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

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 Eight Hundred Fourteen Million Three Hundred Fifty Eight Thousand**

Ninety Seven and Eighty-Two Hundredths United States (U.S.) Dollars (U.S. \$ 2,814,358,097.82) (the 'Grant')."

2. The first sentence in paragraph (b) of Section 3.1 of the Agreement is deleted in its entirety and the following substituted in lieu thereof: "(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be U.S. \$2,814,358,097.82, which will be provided in increments."
3. 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 Sixteen 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. 16

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 16	Amount Obligated in Amendment No. 16	Cumulative Obligations in FY 2005 - FY 2009 *	Amount Remaining to be Obligated/Realigned in FY 2009 - 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	673,540	38,000	711,540	-	711,540
Accelerate market-led growth in agriculture ****	143,085	-	143,085	-	143,085
Accelerate rural development to generate alternative livelihoods ****	530,455	38,000	568,455	-	568,455
Increase Incomes through Economic Growth ****	243,385	37,000	280,385	-	280,385
Expand Improved Access to Economic Infrastructure	1,666,515	129,000	1,795,515	-	1,795,515
Stabilize Energy Services and Make them Affordable and More Accessible ****	644,835	65,000	709,835	-	709,835
Expand and Improve Access to Transportation ****	989,552	61,000	1,050,552	-	1,050,552
Expand and Improve Access to Water Supplies and Sanitation ****	32,128	3,000	35,128	-	35,128
USAID Program Support	26,918		26,918	-	26,918
TOTAL OBJECTIVE 5:	2,610,358	204,000	2,814,358	-	2,814,358

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. 16
In Thousands of U.S. Dollars

Objective	Program Area	Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No. 16	Amount Obligated in Amendment No. 16	Cumulative Obligations in FY 2005 - FY 2009*	Amount Remaining to be Obligated/Realigned in FY 2009 - FY 2010**	Total Estimated Contribution
THRIVING ECONOMY LED BY THE PRIVATE SECTOR							
USAID Grant Agreement No. SOAG-306-05-00							
Peace and Security	4 Counter Narcotics	Alternative Development	562,645	38,000	600,645	-	600,645
Governing Justly & Democratically	2 Good Governance	Economic Growth	2,000		2,000	-	2,000
Investing in People	3.1 Health	Water	32,128	3,000	35,128	-	35,128
Economic Growth	1 Macroeconomic Foundation for Growth	Economic Growth	3,453	3,040	6,493	-	6,493
	2 Trade and Investment	Economic Growth	47,997	3,740	51,737	-	51,737
	3 Financial Sectors	Economic Growth	2,294	2,140	4,434	-	4,434
	4 Infrastructure	Infrastructure	1,649,114	126,000	1,775,114	-	1,775,114
	5 Agriculture	Agriculture	125,083		125,083	-	125,083
	6 Private Sector Competitiveness	Economic Growth	140,121	14,540	154,661	-	154,661
	7 Economic Opportunities	Economic Growth	27,520	13,540	41,060	-	41,060
	8 Environment	Agriculture	18,003		18,003	-	18,003
TOTAL OBJECTIVE 5:			2,610,358	204,000	2,814,358	-	2,814,358

OTE * - References to "FY" refer to the USG fiscal year.

OTE ** - 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