

AMENDMENT NUMBER ELEVEN

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 30, 2007

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

AMENDMENT NUMBER ELEVEN 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 ~~30~~, 2007

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) and,
- September 19, 2007 (Amendment No. 10).

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 **Six Hundred Ninety Million Nine Hundred Twenty Seven Thousand Seven Hundred Seventeen** United States (U.S.) Dollars (**U.S. \$690,927,717.00**); 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 Eight Hundred Fifty One Million Four Hundred Sixty Eight Thousand Eight Hundred Twenty Nine and Eighty-Two Hundredths** United States (U.S.) Dollars (**U.S. \$ 1,851,468,829.82**) (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: Robin Phillips

Title: Mission Director,
USAID/Afghanistan

By: _____

Name. Anwar-ul-Haq Ahady

Title: Minister of Finance

Appropriation: ES SUP 2007/2008 (ESF)
Amount: \$479,120,000

Appropriation: ES NOA 2007/2008 (ESF)
Amount: \$211,807,717

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 11

In Thousands of U.S. Dollars

| Objective and Activities | Amount Obligated prior to Amendment No. 11 | Amount Obligated in Amendment No. 11 | Cumulative Obligations in FY 2005 - FY 2007 * | Amount Remaining to be Obligated in FY 2007 - 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 | 366,300 | 149,799 | 516,099 | 518,402 | 1,034,501 |
| Accelerate market-led growth in agriculture *** | 101,717 | 25,732 | 127,449 | 156,951 | 284,400 |
| Accelerate rural development to generate alternative livelihoods — | 264,583 | 124,068 | 388,651 | 361,450 | 750,101 |
| Increase Incomes through Economic Growth *** | 144,801 | 35,525 | 180,326 | 271,463 | 451,789 |
| Expand Improved Access to Economic Infrastructure | 624,777 | 503,349 | 1,128,126 | 130,814 | 1,258,940 |
| Stabilize Energy Services and Make them Affordable and More Accessible *** | 237,422 | 170,600 | 408,022 | 196,426 | 604,448 |
| Expand and Improve Access to Transportation | 372,627 | 331,749 | 704,376 | (274,084) | 430,292 |
| Expand and Improve Access to Water Supplies and Sanitation | 14,728 | 1,000 | 15,728 | 208,472 | 224,200 |
| USAID Program Support | 24,663 | 2,254 | 26,918 | 16,002 | 42,920 |
| TOTAL OBJECTIVE 5: | 1,160,541 | 690,928 | 1,851,469 | 936,681 | 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. 11
In Thousands of U.S. Dollars

| Objective | Program Area | Program Element | Old Activity/Intermediate Results (IR) Title | Amount Obligated prior to Amendment No 11 * | Amount Obligated in Amendment No 11 | Cumulative Obligations in FY 2005 - FY 2007** | Amount Remaining to be Obligated in FY 2007 - FY 2010*** | Total Estimated Contribution | | |
|---|--------------|--------------------------------|--|---|---|---|--|------------------------------|------------------|----------------|
| THRIVING ECONOMY LED BY THE PRIVATE SECTOR | | | | | | | | | | |
| SAID Grant Agreement No. SOAG-306-05-00 | | | | | | | | | | |
| Peace and Security | 1 | Counter Narcotics | 1 4 2 | Alternative Development & Alternative Livelihoods | Rehabilitate the Rural Economy Accelerate Rural Development to generate Alternative | 264,043 | 140,920 | 404,963 | 345,138 | 750,101 |
| | | | 1 4 5 | Program Support (Narcotics) | USAID Program Support | 12,730 | 3,148 | 15,878 | 5,582 | 21,460 |
| | | | | | 276,773 | 144,068 | 350,720.400 | 771,561 | | |
| Governing Justly & Democratically | 2 | Good Governance | 2 2 3 | Local Government and Decentralization | Economic Growth | | 2,000 | 2,000 | - | 2,000 |
| | | | | | | | 2,000 | 2,000 | | 2,000 |
| Investing in People | 3 | Health | 3 1 8 | Water Supply and Sanitation | Expand and Improve Access to Water Supplies and Sanitation | 14,728 | 1,000 | 15,728 | 208,472 | 224,200 |
| | | | | | | 14,728 | 1,000 | 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 | 30,116 | 1,380 | 31,496 | 18,504 | 50,000 |
| | | | 4 2 3 | Program Support (Trade) | Program Support (Trade) | 200 | 500 | 700 | 4,300 | 5,000 |
| | 4 | Infrastructure | 4 4 1 | Modern Energy Services | Stabilize Energy Services and Make them Affordable and More Accessible | 237,422 | 170,600 | 408,022 | 196,426 | 604,448 |
| | | | 4 4 3 | Transport Services | Expand and Improve Access to Transportation | 372,627 | 331,749 | 704,376 | (274,084) | 430,292 |
| | | | 4 4 4 | Infrastructure Program Support | USAID Program Support | 12,473 | 2,254 | 14,727 | 6,733 | 21,460 |
| | 5 | Agriculture | 4 5 1 | Agriculture Enabling Environment | Agriculture | 68,905 | 263 | 69,168 | 115,232 | 184,400 |
| | | | 4 5 2 | Agricultural Sector productivity | Agriculture | 16,762 | 24,000 | 40,762 | 9,238 | 50,000 |
| | | | 4 5 3 | Program Support (Agriculture) | Agriculture | 1,050 | 1,469 | 2,519 | 47,481 | 50,000 |
| | 6 | Private Sector Competitiveness | 4 6 1 | Business Enabling Environment | Business Enabling Environment | 104,769 | 2,400 | 107,169 | 229,445 | 336,614 |
| | | | 4 6 2 | Private Sector Productivity | Economic growth | | 4,575 | 4,575 | - | 4,575 |
| | | | 4 6 3 | Workforce Development | Economic growth | | 3,600 | 3,600 | - | 3,600 |
| | | | 4 6 4 | Program Support (Private Sector) | Program Support (Private Sector) | 230 | 1,070 | 1,300 | 3,700 | 5,000 |
| | 7 | Economic Opportunities | 4 7 1 | Inclusive Financial Markets | Inclusive Financial Markets | 9,319 | (598) | **** 8,721 | 16,279 | 25,000 |
| 4 7 5 | | | Program Support (Econ) | Economic growth | 167 | 598 | **** 765 | 4,235 | 5,000 | |
| 8 | Environment | 4 8 1 | Natural Resources and Biodiversity | Biodiversity Conservation & Reforestation | 15,000 | | 15,000 | - | 15,000 | |
| | | | | | 869,040 | 543,860 | 1,412,900 | 377,489 | 1,790,389 | |
| TOTAL OBJECTIVE 5 | | | | | 1,160,541 | 690,928 | 1,851,469 | 936,681 | 2,788,150 | |

OTE * -- In the absence of a detailed audit of prior obligations executed before Amendment No 10, amounts for "Program Support" have been attributed equally between Program Elements 1 4 Counter narcotics and 4 4 Infrastructure

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

OTE **** -- These figures reflect a transfer / realignment in the net amount of \$598,000 among these line items