



## PROGRAM CONTRIBUTION AGREEMENT

Between the United States of America, acting through the United States Agency for International Development (USAID), and The Asian Development Bank (ADB), manager of the Afghanistan Infrastructure Trust Fund (AITF), established and operating in accordance with the Board paper “Afghanistan Infrastructure Trust Fund”, approved by ADB’s Board of Directors in October 2010 (Board Paper).

1. Activity Title: Contribution to the AITF
2. USAID Activity Number: AID-306-IO-13-00001
3. Purpose: USAID and ADB hereby agree to jointly finance infrastructure projects through the AITF in order to take advantage of donor coordination and to participate in multi-donor efforts administered to strengthen the capacity of the Government of the Islamic Republic of Afghanistan so as to provide support for the long-term development of the Afghan economy. The use of the AITF resources will ensure development effectiveness, administrative efficiency, and clear accountability.
4. Grant: Pursuant to its authorities under the Foreign Assistance Act of 1961, as amended, USAID hereby obligates US\$180,300,000 (one hundred and eighty million, and three hundred thousand dollars) (the Grant) under this Agreement for purposes of financing activities in the power and energy sector.<sup>1</sup> Concurrent with this Agreement, USAID wishes to serve an Instrument of Contribution (IC) in the amount of US \$ 45,000,000 (forty-five million dollars) to the AITF for the purposes stated above. The purpose of the Agreement is met upon such disbursement by USAID.
5. This Agreement includes Annex 1, Board Paper, dated October 2010, and Annex 2, AITF Implementation Guidelines and Governance Structure. The Grant will be administered in accordance with AITF policies as set forth in the Board Paper, dated October, 2010 and the AITF Implementation Guidelines and Governance Structure, attached hereto as Annex 1 and Annex 2, respectively.
6. All future disbursements by USAID under this Agreement will be made through ICs, including sectoral preferences, to:

Bank:

[REDACTED]

Beneficiary:

[REDACTED]

Account:

[REDACTED]

ABA:

[REDACTED]

SWIFT/BIC:

[REDACTED]

The following is an indicative disbursement schedule for the Grant, subject to agreement otherwise by the parties:

<sup>1</sup> The total estimated USAID contribution to AITF, subject to availability of funds, is to be released to AITF by March 6, 2018.

\$45,000,000	March 2013
\$45,000,000	September 2013
\$45,000,000	March 2014
\$45,300,000	September 2014

7. **Reports.** ADB will prepare an annual report on the progress and operational performance of the AITF, its outputs and outcomes (see Design and Monitoring Framework in Annex 2<sup>2</sup>), and semi-annual progress reports on financing approved from the AITF. This will be shared with all contributors to the AITF (Financing Partners). In addition, ADB will conduct quarterly meetings with the Financing Partners to report on AITF developments.

8. **Accounts.** ADB will keep records on the transactions executed under the AITF and provide the Financing Partners with semi-annual unaudited financial statements.

9. **External Audits.** The financing statements of AITF in respect of a fiscal year (ending on 31 December) will be audited by ADB-appointed external auditors. The audit will be shared with the Financing Partners at the earliest semi-annual meeting following the audit and not later than 6 months of fiscal year end.

10. **Information and Marking.** ADB will give appropriate publicity to USAID as a contributor to the AITF.

11. **Service Fees.** ADB will charge a service fee for managing AITF. The service fee charge is currently (i) 5% of amounts disbursed for technical assistance; and (ii) 5% of amounts disbursed for grant components of investment projects up to \$5 million, or 2% of amounts disbursed for grant components of investment projects above the first \$5 million with a minimum of \$250,000, whichever is greater. The service charge will be paid from AITF at the same time as disbursements are made.

12. Either party may terminate this Agreement in its entirety by giving the other party 90 days written notice.

#### **Termination and Other Remedies**

13. If any of the Financing Partners, including USAID, determines in good faith that the purpose of AITF (as set forth in the Board Paper) can no longer be effectively or appropriately carried out, it may request with at least 30 days' notice that the proposed termination of AITF be discussed at the next semi-annual meeting after consultation with ADB. If all Financing Partners and ADB unanimously agree on the termination of the AITF, the AITF may be terminated subject to (i) any outstanding obligations and commitments already made, and (ii) termination arrangements as agreed between ADB and all Financing Partners.

14. If contributions by all Financing Partners of AITF, including USAID, have been substantially

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<sup>2</sup> Design and Monitoring Framework will be revised and updated regularly to reflect the necessary changes in AITF during implementation.

disbursed by ADB, ADB shall issue a notice of termination of AITF, which shall take effect immediately. Upon such time of termination, except for actions necessary for winding up the activities of the AITF in an orderly and expeditious manner, ADB's functions in relation to the contributions will be deemed terminated. Upon termination of AITF and subsequent liquidation of the account, any available funds will be returned by ADB to the Financing Partners in proportion to their respective contributions unless otherwise agreed with the Financing Partners.

15. **Anti-Money Laundering and Combating the Financing of Terrorism.** As required by applicable ADB policy, ADB will ensure that adequate due diligence is carried out on integrity-related risks, which include risks associated with money laundering and financing of terrorism, to ensure that such risks are addressed in the course of project preparation. Recognizing the obligations of ADB members under various United Nations Security Council Resolutions to take measures to prevent the financing of terrorists, ADB undertakes to use reasonable efforts, consistent with the Agreement Establishing the Asian Development Bank (the ADB Charter) and its policies, including those pertaining to anti-money laundering and combating the financing to terrorists, to ensure that funds provided under the AITF are used for their intended purposes and are not diverted to terrorists or their agents. ADB will inform the Financing Partners in a timely manner if, during the course of AITF operations, ADB becomes aware that funds under the AITF are being used for the purpose of payment to persons or entities, or for the import of goods, if such payment or import is prohibited by the decision of the United Nations Security Council taken under the Chapter VII of the Charter of the United Nations.

16. **Amendments.** ADB may, from time to time, after consultation with the Financing Partners, including USAID, during the annual meetings with the Financing Partners, make amendments to the AITF Implementation Guidelines and Governance Structure provided that such amendments are consistent with the provisions of the Board Paper. Such amendments shall be duly reflected in the present agreement.

17. USAID Mailing Addresses:

USAID's Agreement Officer for this Agreement is:

[REDACTED]  
Deputy Director for Operations  
Office of Acquisition and Assistance  
USAID/Afghanistan  
U.S. Agency for International Development  
U.S. Embassy  
Great Masood Road  
Kabul, Afghanistan  
E-mail: [REDACTED]  
Phone: [REDACTED]

USAID's technical representative for this Agreement by account is:

[REDACTED]  
Project Manager-Energy  
Office of Economic Growth & Infrastructure  
USAID/Afghanistan

U.S. Agency for International Development  
U.S. Embassy  
Great Masood Road  
Kabul, Afghanistan  
E-mail: [REDACTED]  
Phone: [REDACTED]

USAID's financial management representative for this Agreement is:

[REDACTED]  
Controller  
USAID/Afghanistan  
U.S. Agency for International Development  
U.S. Embassy  
Great Masood Road  
Kabul, Afghanistan  
[REDACTED]  
Phone: [REDACTED]

ADB Mailing Address:

ADB's representative for this Agreement is:  
Asian Development Bank  
6 ADB Avuenue, Mandaluyong City1550  
Metro Manila  
Philippines  
Telephone: (632) 632-4444 (Central) Fax: (632) 636-2444

(i) General Communications and Financial Matters:  
Attention: Head, Office of Cofinancing Operations  
Fax: (632) 636-2456

(ii) Implementation and Technical Matters:  
Attention: Country Director, Afghanistan Resident Mission  
Fax: (9385) 535204

## USAID PROGRAM CONTRIBUTION FISCAL DATA

1. GLAAS Requisition No. REQ-306-13-000065
2. BBFY: 2011
3. EBFY: 2012
4. Fund: ES
5. Op: Afghanistan
6. Prog Area: A17
7. Dist Code: 306-M
8. Prog Elem: A069
9. SOC: 4100500
10. Amount Obligated for this Action: \$180,300,000
11. Total Obligated Amount: \$180,300,000
12. Total Estimated Amount: \$180,300,000
13. Activity Title: Contribution to the AITF
14. Agreement Officer's Technical Representative (AOTR):

[REDACTED]  
Project Manager-Energy  
Office of Economic Growth & Infrastructure  
USAID/Afghanistan  
Great Masoud Road  
Kabul, Afghanistan

9. Tax I.D. Number:
10. DUNS No.: 718708159
11. Paying Office:  
Financial Management Office (FMO)  
USAID/Afghanistan  
Great Masoud Road  
Kabul, Afghanistan

12. Org. ID:  
Award No. AID-306-IO-13-00001

For the Asian Development Bank  
Signature: \_\_\_\_\_  
Name: Cécile L. H. F. Gregory  
Title: Head, Office of Cofinancing Operations  
Date: \_\_\_\_\_

For USAID  
Signature: [REDACTED]  
Name: [REDACTED]  
Title: Deputy Director, Office of Acquisition and Assistance  
Date: MAR - 7 2013

**Annex 1**      Board Paper, October 2010

## **Annex 2 AITF Implementation Guidelines and Governance Structure**