



# USAID | AFGHANISTAN

FROM THE AMERICAN PEOPLE

November 2, 2008

Subject: Award No. 306-A-00-08-00503-00

Dear Hedvig Christine Alexander:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby provides to Turquoise Mountain Trust, hereinafter referred to as the "TMT", (hereinafter referred to "Grantee," or "Recipient") the sum set forth in Section 1.3 of this Award to provide support for the program described in Attachment 2 of this Award entitled "Program Description."

This Award is effective as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives for the period described in Section 1.2 of this Award. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Award is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below, which together constitute the entire Award document, and to which your organization has agreed.

Please sign the original and each copy of this letter to acknowledge your receipt of this Award, and return the original and all but one copy to Yves Kore, Agreement Officer, at [ykore@usaid.gov](mailto:ykore@usaid.gov).

Sincerely,

James D. Goodwin  
Agreement Officer

OAA/Afghanistan  
Subject: Award No. 306-A-00-08-00503-00

CC:  
Farid Ahmad Barkzai, CTO

- Attachments:
1. Schedule
  2. Program Description
  3. Standard Provisions
  4. Letter, Pre-award Authorization
  5. Memorandum of Assessment

ACKNOWLEDGED:

BY: *Hayb. Akhmed*  
TITLE: Managing Director  
DATE: 02/12/08

**ATTACHMENT 1 - SCHEDULE**

**A. GENERAL**

1. Appropriation: [REDACTED]
2. Amount Obligated this Action: \$2,500,000
3. Total Estimated USAID Amount: \$6,000,000.00
4. Total Obligated USAID Amount: \$2,500,000
5. Cost-Sharing Amount (Non-Federal): \$5,806,000.00
6. Activity Title: Building Livelihoods and Trade
7. USAID Technical Office: USAID/ANE/Afghanistan-OPPD
8. Tax I.D. Number: [REDACTED]
9. DUNS No.: 349590708
10. LOC Number: N/A

**B. SPECIFIC**

For Mission Actions:

[REDACTED]  
[REDACTED]  
[REDACTED]

**C. PAYMENT OFFICE**

Controller  
Office of Financial Management  
USAID-Afghanistan  
6180 Kabul Place  
Dulles, VA 20189-6180

## ATTACHMENT 1 - SCHEDULE

### 1.1 PURPOSE OF AWARD

The purpose of this Award is to provide support for the program described in Attachment 2 of this Award entitled "Program Description."

### 1.2 PERIOD OF AWARD

(a) The effective date of this Award is the date of the cover letter, and the estimated completion date is 11/01/2011.

(b) Subject to the terms and conditions of this Award, allowable costs incurred by the Recipient shall be reimbursable during the period beginning on 11/02/2008 and ending on the estimated completion date.

(c) As indicated in Section 1.3(b) below, this Award is incrementally funded. The obligated amount set forth in Section 1.3(b) below is anticipated to be sufficient through approximately 09/01/2009. The Recipient is authorized to continue expending obligated funds, if available, beyond that date, but not after the estimated completion date set forth in Section 1.2(a) above.

### 1.3 AMOUNT OF AWARD AND PAYMENT

(a) The total estimated amount of this Award for its full period, as set forth in Section 1.2(b) above, is \$6,000,000.00.

(b) The amount of \$2,500,000 is obligated for the purposes of this Award. USAID is not required to reimburse the Recipient for any costs in excess of this amount, nor is the Recipient required to continue performance or incur costs in excess of this amount (including actions/costs under the termination and suspension provisions of the Standard Provision set forth in Attachment 3 of this Award entitled "Termination and Suspension"). If, pursuant to paragraph (b)(3) of the Standard Provision entitled "Revision of Award Budget," the Recipient requests additional USAID funding and USAID determines not to provide such additional funding, the Agreement Officer will, upon written request of the Recipient, terminate this Award pursuant to paragraph (b) of the Standard Provision entitled "Termination and Suspension."

(c) Payment shall be made to the Recipient via periodic advance payments in accordance with the procedures described in Section 1.5(a) below and the Standard Provision set forth in Attachment 3 of this Award entitled "Payment – Advance."

(d) Until such time as the obligated amount shall equal the total estimated amount of this Award, additional increments of funds may be obligated by USAID through a unilateral modification to this Award, subject to availability of funds, successful performance by the Recipient, possible evaluation of the program, program priorities at the time, and the requirements of the Standard Provision entitled "Revision of Award Budget."

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### 1.5 REPORTING REQUIREMENTS

#### (a) Financial Reporting

##### (1) Reporting of Expenditures

(A) Financial reporting requirements shall be in accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Payment – Advance Either paper copies or electronic copies (scanned PDF document) may be submitted, but not both

(B) Financial reports shall be submitted to the payment office indicated in Section 1.12 below. In addition, one copy shall be submitted to the CTO.

(i) SF-270, “Request for Advance or Reimbursement” shall be used to request advance payments of estimated expenditures (the form shall be marked to indicate that it is a request for advance) and, in accordance with the aforementioned Standard Provision, shall be submitted monthly; and (ii) SF-269, “Financial Status Report” shall be used to report actual expenditures and liquidate the advances, and, with the exception of the final financial report, shall be submitted not later than 30 days after the end of each calendar quarter. The final financial report shall be submitted not later than 90 days after the estimated completion date of this Award.

(C) These forms and their instructions are available on the internet at:

[http://www.whitehouse.gov/OMB/grants/grants\\_forms.html](http://www.whitehouse.gov/OMB/grants/grants_forms.html).

(D) If the Recipient is unable to obtain these forms via the internet, forms will be made available by the CTO.

(2) Reporting of Foreign Taxes. The Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Award entitled “Reporting of Foreign Taxes.”

#### (b) Programmatic Reporting

##### (1) General Requirements

(A) The Recipient shall comply with the Standard Provisions set forth in Attachment 3 of this Award entitled “Publications and Media Releases” and “Marking under USAIDFunded Assistance Instruments.” All reports shall be in English.

##### (2) Program Planning Reports

#### (A) Annual Work-Plans

(i) Not later than 60 days from the effective date of this Award, the Recipient shall submit three copies to the CTO of a draft annual work-plan, covering the first year of this Award. Electronic submission is preferred over hard-copy. The work-plan shall be delineated by the reporting periods described in Section 1.5(b)(3)(B) below. The work-plan shall include the activities planned to be conducted, the site(s) where they will be conducted, benchmarks/milestones and annual performance targets; the outputs/outcomes which the Recipient expects to achieve; and the inputs planned to be provided by the Recipient, during the work-plan period. Included shall be an explanation of how those inputs are expected to achieve the outputs/outcomes and benchmarks/milestones. The work-plan shall also consider whether boys and girls or women and men are involved or affected differently by the context or work to be undertaken, and, if so, whether the difference is potentially significant for managing toward sustainable program impact. The Recipient shall describe and use appropriate gender-sensitive methodologies and shall maintain gender-integration and -balance in all activities, targeting women and girls when necessary to achieve that balance. The CTO shall review the draft annual work-plan, and shall provide comments within 30 days

## ATTACHMENT 1 - SCHEDULE

from receipt. Thereafter, the Recipient shall submit three copies of the final work-plan within 15 days of receipt of the CTO's comments to the CTO for approval (see Section 1.15 below).

(ii) Not later than 60 days prior to the beginning of each subsequent year, the Recipient shall submit three copies to the CTO of draft annual work-plans for each subsequent year. Electronic submission is preferred over hard-copy. The work-plan shall be delineated by the reporting periods described in Section 1.5(b)(3)(B) below. The work-plans shall include the activities planned to be conducted, the site(s) where they will be conducted, and benchmarks/milestones; the outputs/outcomes which the Recipient expects to achieve; and the inputs planned to be provided by the Recipient, during the work-plan period. Included shall be an explanation of how those inputs are expected to achieve the outputs/outcomes and benchmarks/milestones. The work-plans will also include the Recipient's planned international travel, as described in paragraph (a)(1) of the Standard Provision set forth in Attachment 3 of this Award entitled "International Air Travel and Transportation." The CTO shall review the draft annual work-plan, and shall provide comments within 30 days from receipt. Thereafter, the Recipient shall submit three copies of the final work-plan within 15 days of receipt of the CTO's comments to the CTO for approval (see Section 1.15 below).

(iii) The work-plan will describe activities to be conducted at a greater level of detail than Attachment 2 (Program Description) of this Award, but shall be cross-referenced with the applicable sections in the Program Description. All work-plan activities must be within the scope and objectives of this Award. Work-plans shall not change such scope and objectives or any other terms and conditions of this Award in any way; such changes may only be approved by the Agreement Officer, in advance and in writing. Thereafter, if there are inconsistencies between the workplan and the Program Description or other terms and conditions of this Award, the latter will take precedence over the work-plan.

(iv) If, at any time, it becomes necessary to revise the approved work-plan, the Recipient shall submit proposed changes to the CTO and the procedures described above

shall apply. All work-plans, including significant revisions thereto, must be approved by the CTO (see Section 1.15 below). If the revised work-plan is approved, the Recipient shall submit a revised M&E plan (see Section 1.5[b][2][B] below), as necessary, for approval by the CTO.

### (B) Monitoring and Evaluation (M&E) Plan

(i) Not later than 60 days from the effective date of this Award, the Recipient shall submit three copies to the CTO of a draft M&E plan. Electronic submission is preferred over hard-copy. The M&E plan shall include a detailed plan for managing the collection of data in order to monitor performance and report thereon. The M&E plan shall specify the source, method of collection, and schedule of collection for each datum required; and assign responsibility for collection to a specific partner, team, or individual. The M&E plan shall also describe critical assumptions. Also included must be performance baseline data which describe the prevailing conditions of a beneficiary population and/or the situation at the onset of the program, the magnitude of the problem and/or the needs that the Recipient's program will address, performance indicators (including appropriate rationale and justification therefor), and numerical performance targets delineated by the U.S. Government's fiscal year (*i.e.*, October 1<sup>st</sup> – September 30<sup>th</sup>) or part thereof. If disaggregated data are required, the M&E plan must be capable of accomplishing this. If disaggregated data are not feasible, the M&E plan (including performance indicators) must assess impact on disaggregated populations indirectly. The CTO will provide comments within 30 days, and the Recipient shall then submit three copies of the final M&E plan within 15 days of receipt of the CTO's comments to the CTO for approval (see Section 1.15 below). The M&E plan must be approved by the CTO.

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(ii) If, at any time, it becomes necessary to revise the approved M&E plan, the Recipient shall submit proposed changes to the CTO and the procedures described above shall apply. If the M&E plan is revised, the Recipient shall submit a revised work-plan (see Section 1.5[b][2][A] above), as necessary, for approval by the CTO.

### (3) Performance Monitoring Reports

(A) Notifications The Recipient shall submit one copy to the CTO and one copy to the Agreement Officer of notifications (in writing), as follows:

(i) Developments which have a significant impact on the activities supported by this Award; and

(ii) Problems, delays, or adverse conditions which materially impair the ability to meet the objectives of this Award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the problem.

### (B) Quarterly Program Performance Reports

(i) The Recipient shall submit one copy of a concise and brief (not to exceed 5 pages) quarterly program performance report to the CTO and one copy to the Agreement Officer. Electronic submissions are preferred over hard-copy.

(ii) Reporting periods are calendar quarters.

(iii) The due-date for these program performance reports is not later than 30 days after the end of each reporting period. However, if the reporting period ends before 45 days from the effective date of this Award, or less than 30 days from the estimated completion date of this Award and this Award is not being extended, no submission shall be required. All other reporting requirements shall, however, apply.

(iv) At a minimum, these reports shall include the following:

! A comparison of actual accomplishments, both for the reporting period and cumulatively, with the established goals and objectives, and expected results; the findings of the investigator; or both. Data (both qualitative and quantitative) must be presented using established baseline data and indicators, and be supported by a brief narrative. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs;

! Reasons why established goals were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed; and ! Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.

### (4) Annual and/or Final Results Report

(A) The Recipient shall submit one copy of an annual and/or final results report to the CTO (and one copy to the Agreement Officer. Electronic submissions are preferred over hard-copy. These results reports shall cover the period October 1<sup>st</sup> through September 30<sup>th</sup> of each year, or parts thereof. If this Award expires during the reporting period, the Recipient shall submit a final report not later than 90 days after the estimated completion date. Otherwise, the Recipient shall submit an annual report not later than December 31<sup>st</sup>. These annual and final results reports shall emphasize quantitative as well as qualitative

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data that reflect results, shall measure impact using the baseline data and indicators established for the program, and shall, at a minimum, include the following:

- (i) Number of beneficiaries targeted during the reporting period;
- (ii) Number of beneficiaries reached during the reporting period;
- (iii) Cumulative number of beneficiaries targeted to date;
- (iv) Cumulative number of beneficiaries reached to date;
- (v) Total numbers of beneficiaries targeted and reached to date;
- (vi) A description of assessments and surveillance data used to measure results;
- (vii) Success stories and an explanation of successes achieved, constraints encountered, and adjustments made for achieving program objectives;
- (viii) A discussion of the overall performance of the program, including details of any discrepancies between expected and actual results and any recommendations for improving the design of the program;
- (ix) Overall cost effectiveness, with particular attention paid to cost savings and/or cost overruns, and other significant cost impacts such as major exchange rate fluctuations or other types of inflation shall be detailed;
- (x) A comparison of actual accomplishments, both for the reporting period and cumulatively, with the established goals and objectives, and expected results; the findings of the investigator; or both. Data (both qualitative and quantitative) must be presented using established baseline data and indicators, and be supported by a brief narrative. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs;
- (xi) Reasons why established goals/targets were not met (if applicable), the impact on the program objective(s), and how the impact has been/will be addressed; and (xii) Other pertinent information including, when appropriate, success stories (if available) which illustrate the direct positive effects of the program; how unforeseen circumstances affected overall performance compared to original assumptions (if applicable), how activities were accordingly adjusted or re-targeted; and analysis and explanation of cost overruns or high unit costs.

(B) In accordance with the Standard Provision set forth in Attachment 3 of this Award entitled "Publications and Media Releases," the Recipient shall also submit one copy, in electronic (preferred) or paper form, of the annual and final Results Report to one of the following:

By E-Mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org)

By Mail: USAID Development Experience Clearinghouse

Attn: Document Acquisitions

8403 Colesville Road, Suite 210

Silver Spring, MD 20910

By Fax: (301) 588-7787

On-Line: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>

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(C) In accordance with the aforesaid Standard Provision, each document submitted should include the following information: (1) descriptive title; (2) author(s) name; (3) award number; (4) sponsoring USAID office; (5) date of publication; and (6) software name and version (if electronic document is sent).

(c) Property Reports The following are the reporting and notification requirements related to property financed and/or provided hereunder:

### (1) Tangible Property

(A) Loss, Damage, or Theft Any loss, damage, or theft to property shall be investigated and fully documented, and the Recipient shall promptly notify the Agreement Officer and CTO.

(B) Final Property Inventory Report In accordance with paragraph (c) of the Standard Provision set forth in Attachment 3 of this Award entitled “Title To and Care of Property (Cooperating Country Title)” and Section 1.7 below, the Recipient shall submit one copy of a final property inventory report to the CTO and the Agreement Officer, covering all items of real property, equipment, materials and supplies under the Recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this Award. The Recipient shall also indicate what disposition has been made of such property. This report shall be submitted not later than 90 days from the estimated completion date of this Award.

### (2) Intangible (Intellectual) Property

(A) Published and Other Written Work In accordance with paragraph (a) of the Standard Provision set forth in Attachment 3 of this Award entitled “Publications and Media Releases,” the Recipient shall provide the CTO with one copy of all published works developed under this Award, with lists of other written work produced under this Award. Any copyrighted work shall be so indicated as such.

### (B) Patents

The Recipient shall comply with the various reporting/notification requirements described in the Standard Provision set forth in Attachment 3 of this Award entitled “Patent Rights.”

### (a) General

#### (1) Applicability

This Section applies to the procurement of goods and services by the Recipient using USAID funds provided hereunder. It does not apply to sub-grants and sub-agreements in support of sub-recipients' programs, but does apply to procurement of goods and services by sub-recipients.

#### (2) Noncompliance

Failure of the Recipient to comply with the requirements set forth herein may result in disallowance of costs in accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Allowable Costs.”

#### (3) General Procurement Requirements

The Recipient shall comply with the general procurement requirements prescribed in the Standard Provision set forth in Attachment 3 of this Award entitled “Procurement of Goods and Services.”

#### (4) Ineligible Goods and Services

In accordance with paragraph (a)(1) of the Standard Provision set forth in Attachment 3 of this Award

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entitled “USAID Eligibility Rules for Goods and Services,” military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, and weather modification equipment may not be financed hereunder.

### (5) Eligibility of Other Commodities

Except for restricted goods (for which special requirements apply, as described in paragraph [d] below), funds provided hereunder may only be used for commodities that are designated as “eligible” in the USAID Commodity Eligibility Listing (<http://www.usaid.gov/policy/ads/300/31251m.pdf>), or for which the Agreement Officer may specifically provide prior written approval. To this end, commodities (other than ineligible goods which are discussed in paragraph [a][4] above, and restricted goods which are subject to paragraph [d] below) which were included in the Recipient’s detailed budget (see Section 1.4 above) are authorized for financing hereunder unless otherwise stated. To the extent that the USAID Eligibility Listing includes any special requirements applicable to the commodities included in the Recipient’s detailed budget, the Recipient shall comply with such special requirements unless otherwise approved in advance and in writing by the Agreement Officer.

### (6) Ineligible Suppliers

In purchasing all goods and services with funds provided under this Award, the Recipient shall comply with the supplier eligibility requirements set forth in: (1) paragraph (a)(2) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services;” (2) paragraph (a)(3)(vi) of the Standard Provision entitled “Procurement of Goods and Services;” and (3) the Standard Provision entitled “Implementation Of E.O. 13224 -- Executive Order On Terrorist Financing.”

### (7) Source, Origin, and Componentry of Goods, and Nationality of Suppliers of Goods and Services

As indicated in paragraph (b) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services,” USAID’s rules on the source, origin, and componentry of commodities, and the nationality of suppliers of goods and services, are set forth in 22 CFR 228

([http://www.access.gpo.gov/nara/cfr/waisidx\\_08/22cfr228\\_08.html](http://www.access.gpo.gov/nara/cfr/waisidx_08/22cfr228_08.html)), and apply to this Award. As indicated therein, and except as may otherwise be approved in advance and in writing by the Agreement Officer, all goods financed hereunder (other than restricted goods, which are subject to paragraph [d] below) must have their source and origin in the authorized geographic code set forth in paragraph (b) below, and all components must be from countries included in Geographic Code 935. As further indicated in 22 CFR 228, and except as may otherwise be approved in advance and in writing by the Agreement Officer, the suppliers of goods and services (other than commodity-related services, which are subject to paragraph [c] below) must be eligible under 22 CFR 228.14 and 22 CFR 228.30-39, respectively, and must have their nationality in a country included in the authorized geographic code set forth in paragraph (b) below. In no event may funds provided under this Award be used for any commodity whose source or origin is not included in Geographic Code 935 and/or which contains a component from a country that is not included in Geographic Code 935, nor may any supplier of goods and services have their nationality in a country not included in Geographic Code 935, unless the Agreement Officer provides specific prior written approval to the contrary. Geographic codes may be found at: <http://www.usaid.gov/policy/ads/200/260mab.xls>.

### (b) Authorized Geographic Code for Non-Restricted Goods and Services (Other than Commodity-Related Services)

In addition to local procurement authorized in accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Local Procurement,” the Authorized Geographic Code for goods (other than restricted goods, which are subject to paragraph [d] below) and services (other than commodity-related services, which are subject to paragraph [c] below) shall be in accordance with paragraph (b)(1) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services”

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(regardless of the prescription for use set forth therein), *i.e.*, Geographic Code 935 (Special Free World), subject to the Recipient's compliance with the order of preference and file documentation requirements described therein.

### (c) Commodity-Related Services

#### (1) Air Travel and Transportation

For both transportation of people and transportation of goods, the Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Award entitled "International Air Travel and Transportation." All air charters covering full or part cargo must be approved in advance and in writing by the Agreement Officer. This includes charter parties, booking notes, and booking agreements when those forms of freight contracts incorporate provisions which are in addition to, or which deviate from, the terms of the carrier's standard bill of lading and tariff. The cost of commodities will be ineligible for reimbursement under this Award if shipped under any air charter which has not received prior written approval from the Agreement Officer.

#### (2) Ocean Shipments

The Recipient shall comply with the Standard Provision set forth in Attachment 3 of this Award entitled "Ocean Shipment of Goods." The Agreement Officer must authorize, in advance and in writing, the payment of any freight differential costs between using U.S.-flag vessels and using non-U.S.-flag vessels. All despatch earned at the port of unloading on cost, insurance, and freight (CIF) and cost and freight (C&R) shipments, and despatch earned at either the port of loading or unloading for free on board (FOB) or free alongside (FAS) shipments (to the extent that despatch exceeds demurrage incurred on the same voyage) must be credited to this Award as Program Income (see Section 1.8 below) or refunded to USAID. Demurrage and detention costs are otherwise ineligible for USAID financing. Dead freight is not reimbursable hereunder. All ocean charters covering full or part cargo must be approved in advance and in writing by the Agreement Officer. This includes charter parties, booking notes, and booking agreements when those forms of freight contracts incorporate provisions which are in addition to, or which deviate from, the terms of the carrier's standard bill of lading and tariff. The cost of commodities will be ineligible for reimbursement under this Award if shipped under any ocean charter which has not received prior written approval of the Agreement Officer.

#### (3) Marine Insurance

The Recipient shall comply with 22 CFR 228.23.

#### (4) Other Delivery Services

Paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" (regardless of the prescription for use set forth therein) applies to other delivery services (such as export packing, loading, commodity inspection services, and services of a freight forwarder), *i.e.*, Geographic Code 935 (Special Free World), subject to the Recipient's compliance with the order of preference and file documentation requirements described therein.

#### (5) Incidental Services

Paragraph (b)(1) of the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" (regardless of the prescription for use set forth therein) applies to incidental services (such as installation or erection of USAID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment), *i.e.*, Geographic Code 935 (Special Free World), subject to the Recipient's compliance with the order of preference and file documentation requirements described therein.

### (d) Restricted Goods

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In accordance with paragraph (a)(3) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services,” agricultural commodities, purchase or long-term lease (*i.e.*, a single lease of more than 180 days, or repetitive or intermittent leases within a one-year period totaling more than 180 days) of motor vehicles, pharmaceuticals, pesticides, used equipment, U.S. Government-owned excess property, and fertilizer may not be financed hereunder without the prior written approval of the Agreement Officer. However, paragraph (a)(3) of the aforementioned Standard Provision also indicates that these restricted goods are deemed to be approved if the item is of U.S. (Geographic Code 000) source and origin, the item has been identified and incorporated in the Program Description (Attachment 2) or the Schedule (Attachment 1) of this Award, and the costs related to the item are incorporated in the budget set forth in Section 1.4 above. Nevertheless, certain additional requirements and/or waivers apply to restricted goods under this Award. Accordingly, the restricted goods listed below are approved subject to the following:

### (1) Non-U.S. Motor Vehicles

(A) Motor vehicles are defined as self-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and buses, motorcycles, scooters, motorized bicycles and utility vehicles. Excluded from this definition are industrial vehicles for materials handling and earthmoving, such as lift trucks, tractors, graders, scrapers, off-the-highway trucks (such as off-road dump trucks) and other vehicles that are not designed for travel at normal road speeds (40 kilometers per hour and above).

(B) Motor vehicles (regardless of their source and origin) are “equipment,” and require prior approval as such under the applicable U.S. Government Cost Principles (see 22 CFR 226.27), and motor vehicles that are not manufactured (*i.e.*, do not have their “origin”) in the U.S. are “restricted goods.” As a restricted good, the purchase and/or the lease of non-U.S. motor vehicles for more than 180 days (both single leases and repetitive or intermittent leases within a one-year period totaling more than 180 days) requires USAID approval. Approval of motor vehicles as “equipment” (see Section 1.4 above) does not constitute approval of non-U.S. motor vehicles (as restricted goods) because they do not satisfy the requirement under paragraph (a)(3) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services” that they be of U.S. source and origin.

(C) For the purpose of this Award, however, the Authorized Geographic Code for the purchase and long-term lease of motor vehicles financed by USAID hereunder shall be in accordance with paragraph (b)(1) of the Standard Provision entitled “USAID Eligibility Rules for Goods and Services” (regardless of the prescription for use set forth therein), *i.e.*, Geographic Code 935 (Special)

Free World), subject to the Recipient’s compliance with the order of preference and file documentation requirements described therein, and the following supplemental descending order of preference:

- (i) U.S.-manufactured vehicles;
- (ii) Vehicles assembled in the cooperating country or a Geographic Code 941 country using a substantial number of parts and sub-assemblies manufactured in the U.S.;
- (iii) Vehicles manufactured in any Geographic Code 935 country by a subsidiary of a U.S. manufacturer; and
- (iv) Vehicles manufactured in a Geographic Code 935 country by other than subsidiaries of U.S. manufacturers.

### 1.7 TITLE TO AND CARE OF PROPERTY

Title to property financed under this Award shall be in the name of the cooperating country or such public

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or private agency as the cooperating country government may designate, subject to the following requirements regarding the use, care, accountability, maintenance, and disposition thereof:

### (a) Tangible Property

“Tangible property” means equipment, supplies and other expendable equipment, and real property.

“Equipment” means an article of tangible nonexpendable personal property having a useful life of one year or more and a per-unit acquisition cost (purchase price) of \$5,000 or more. “Supplies and other expendable equipment” means items of tangible personal property that do not meet the definition of “equipment.” “Real property” means land, land improvements, structures, and appurtenances thereto. Tangible property is subject to the requirements of the Standard Provision set forth in Attachment 3 of this Award entitled “Title To and Care of Property (Cooperating Country Title).”

### (b) Intangible (Intellectual) Property

“Intangible property” means, but is not limited to, copyrights, inventions and patents, and data first produced under this Award. Intangible property is subject to the following:

#### (1) Data First Produced under this Award

The Recipient may use, release to others, reproduce, distribute, or publish any data first produced or specifically used by the Recipient under this Award. The U.S. Government has the right to obtain, reproduce, publish or otherwise use data first produced under this Award, and to authorize others to receive, reproduce, publish, or otherwise use such data.

#### (2) Copyrights

In accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Publications and Media Releases,” the Recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under this Award. USAID and the host government reserve a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work, and to authorize others to do so.

#### (3) Inventions/Patents

Inventions and patents are subject to the Standard Provision set forth in Attachment 3 of this Award entitled “Patent Rights.” The license described in paragraph (b) of the Standard Provision shall include the right of the U.S. Government to sublicense the host government, its nationals, and international organizations pursuant to the bilateral agreement under which this Award is financed.

## 1.8 PROGRAM INCOME

Program Income earned under this Award shall be additive to the USAID and other contributions provided hereunder or used to finance the non-U.S. Government share of the project or program financed hereunder, or deducted from the total project or program allowable cost in determining the net allowable costs on which the USAID share of costs is based. The Recipient shall account for Program Income in accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Program Income.” In accordance with paragraph (e) of said Standard Provision, program income that is earned after the end of the Award period (see Section 1.2 above) must be disposed of based on written instruction received from the Agreement Officer.

## 1.9 COST-SHARING (MATCHING)

The Recipient agrees to expend an amount not less than \$5,440,000 for financing by the Recipient and/or others from non-federal funds in accordance with the Standard Provision set forth in Attachment 3 of this

## ATTACHMENT 1 - SCHEDULE

Award entitled “Cost-Sharing (Matching).” This cost-sharing may be cash and/or in-kind contributions, and includes un-recovered indirect costs. Failure to meet these requirements shall be handled in accordance with said Standard Provision.

### 1.10 INDIRECT COSTS

No indirect costs will be charged to this Award. The Recipient understands and agrees that any indirect costs attributable to this Award will be absorbed by the Recipient and considered cost-sharing.

### 1.11 RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Award shall be resolved by applying the following descending order of precedence:

Attachment 1 - Schedule

Attachment 3 - Standard Provisions

Attachment 4 - Branding Strategy and Marking Plan

Attachment 2 - Program Description

### 1.12 POST-AWARD ADMINISTRATION

(a) Cognizant USAID Technical Officer (CTO)

The CTO for this Award will be designated in a separate memorandum from the Agreement Officer to the CTO, a copy of which will be provided to the Recipient and the payment office specified below. Pending such memorandum, the CTO for this Award is: Farid Ahmad Barkzai

### 1.13 SPECIAL PROVISIONS

(a) Non-Federal Audits

In accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Accounting, Audit, and Records,” the Recipient and its sub-recipients are subject to the audit requirements contained in the USAID Inspector-General’s *Guidelines for Financial Audits Contracted by Foreign Recipients*.

The Recipient and its sub-recipients must use an independent, non-Federal auditor or audit organization which meets the general standards specified in generally accepted government auditing standards (GAGAS) to fulfill these requirements.

(b) Branding Strategy and Marking Plan

(1) In accordance with the Standard Provision set forth in Attachment 3 of this Award entitled “Marking Under USAID-Funded Assistance Instruments,” the Recipient’s Branding Strategy and Marking Plan are incorporated into this Award as Attachment 4 hereof. Accordingly, paragraphs (c)(2) and (c)(4) of said Standard Provision do not apply.

(2) With reference to paragraph (c)(3) of the aforementioned Standard Provision, the Agreement Officer hereby approves an exception from the requirements to mark and acknowledge program deliverables/communications where USAID marking requirements would compromise the intrinsic independence or neutrality of the program or materials because independence or neutrality is an inherent aspect of the program and materials or USAID marking requirements would diminish the credibility of program deliverables/communications whose data or findings must be seen as independent or USAID marking requirements would undercut host government “ownership” of program deliverables/communications that are better positioned as “by” or “from” the cooperating country ministry or government official or USAID marking requirements would offend local cultural or social norms, or be considered

## ATTACHMENT 1 - SCHEDULE

(3) With reference to paragraph (d) of the aforementioned Standard Provision, the requirements to mark and acknowledge program deliverables/communications is hereby waived because marking/acknowledgement requirements would pose compelling political concerns in the cooperating country.

### (c) U.S. Export Restrictions

Unless otherwise approved in advance by the Agreement Officer, funds provided hereunder may not be expended by the Recipient in violation of the U.S Government's Export Administration Regulations (EAR) found in 15 CFR 730, *et seq.*<sup>1</sup>

### (d) U.S. Economic Sanctions

Unless otherwise approved in advance by the Agreement Officer, funds provided hereunder may not be expended by the Recipient in violation of any U.S Government Economic Sanctions and/or any License related thereto issued by the U.S. Department of the Treasury's office of Foreign Assets Control (OFAC).

### (e) Host Country Taxes and Duties

The Recipient is advised that equipment, materials, and funds introduced into Afghanistan under the USAID program are exempt from customs duties and taxes of every kind. Accordingly, and in accordance with the applicable U.S. Government cost principles (see the Standard Provision set forth in Attachment 3 of this Award entitled "Allowable Costs"), such costs are unallowable and may not be charged to this Award or paid with funding provided hereunder. If the Recipient is assessed any such charges, the Recipient shall bring the proposed assessment to the immediate attention of the Agreement Officer and USAID/Kabul.

### (f) Special Award Conditions

(1) In accordance with the pre-award financial assessment of Turquoise Mountain Trust (TMT) dated November 18, 2008, it has been determined that improvement in certain controls and procedures would reduce its risk in handling USAID funds in accordance with Attachment 5. (2) Since these deficiencies increase the risk that the Recipient will be unable to perform the program financed hereunder and/or to comply with the terms and conditions of this Award, the Recipient agrees to take the following corrective action report within 60 days of award its comments on implementing the recommendations of the assessment.

(3) In order to minimize USAID's risk pending the Recipient's completion of the corrective action(s) described in the preceding paragraph, the Recipient must provide to the Agreement <sup>1</sup> Further information about export restrictions may be found on the internet at: <http://www.gpo.gov/bis/index.html> and [http://www.gpo.gov/bis/ear/ear\\_data.html](http://www.gpo.gov/bis/ear/ear_data.html).

Officer its acknowledgement of this special award condition in writing. The acknowledgement must be received by the Agreement Officer within five calendar days after award (4) The Recipient shall notify the Agreement Officer when the Recipient has completed the corrective action(s). The Agreement Officer may take whatever steps s/he deems necessary and reasonable (*e.g.*, a follow-up audit) to independently verify that the corrective action(s) has/have been satisfactorily completed.

(5) Failure by the Recipient to diligently undertake and complete the corrective action(s) may be grounds for suspension or termination of this Award pursuant to the Standard Provision set forth in Attachment 3 of this Award entitled "Termination and Suspension."

## 1.14 STANDARD PROVISIONS

The following Standard Provisions apply to this Award. The full texts of these Standard Provisions are set forth in Attachment 3 of this Award.

## ATTACHMENT 1 - SCHEDULE

### (a) Mandatory Standard Provisions

1. Allowable Costs (OCT 1998)
2. Accounting, Audit, and Records (OCT 1998)
3. Payment Advances and Refunds (OCT 1998)
4. Revision of Award Budget (OCT 1998)
5. Termination and Suspension (OCT 1998)
6. Disputes (OCT 1998)
7. Ineligible Countries (MAY 1986)
8. Debarment, Suspension, and Other Responsibility Matters (JAN 2004)
9. Drug-Free Workplace (JAN 2004)
10. Nonliability (NOV 1985)
11. Amendment (OCT 1998)
12. Notices (OCT 1998)
13. Metric System of Measurement (AUG 1992)
14. Equal Protection of the Laws for Faith-Based and Community Organizations (FEB 2004)
15. Implementation of E.O. 13224 -- Executive Order on Terrorist Financing (MAR 2002)
16. Marking Under USAID-Funded Assistance Instruments (DEC 2005)
17. Voluntary Population Planning Activities – Mandatory Requirements (MAY 2006)

### (b) Required-as-Applicable Standard Provisions

18. Payment - Advance (OCT 1998)
19. International Air Travel and Transportation (JUN 1999)
20. Ocean Shipment of Goods (JUN 1999)
21. Procurement of Goods and Services (OCT 1998)
22. USAID Eligibility Rules for Goods and Services (SEP 1998)
23. Subagreements (OCT 1998)
24. Local Procurement (OCT 1998)
25. Patent Rights (JUN 1993)
26. Publications and Media Releases (MAR 2006)
27. Regulations Governing Employees (JUN 1993)
28. Participant Training (OCT 1998)
29. Title To and Care Of Property (Cooperating Country Title) (OCT 1998)
30. Cost-Sharing (Matching) (JUL 2002)
31. Program Income (OCT 1998)
32. Prohibition of Assistance to Drug Traffickers (JUN 1999)
33. Reporting of Foreign Taxes (MAR 2006)
34. USAID Disability Policy – Assistance (DEC 2004)
35. Standards For Accessibility for the Disabled in USAID Assistance Awards Involving Construction (SEP 2004)

### **1.15 SUBSTANTIAL INVOLVEMENT UNDERSTANDINGS**

It is understood and agreed that USAID will be substantially involved during performance of this Award as set forth below. The CTO is not authorized to provide any approvals which would constitute:

(1) a change to the scope or objectives of the program described in Attachment 2 of this Award, which may only be approved by the Agreement Officer;

(2) a change to the Award budget set forth in Section 1.4. above, unless the Agreement Officer's approval is not required for said budget changes pursuant to the Standard Provision set forth in Attachment 3 of this Award entitled "Revision of Award Budget;" or

(3) an unauthorized commitment as defined in ADS-303.3.18.

(a) Annual Work-Plans

## **ATTACHMENT 1 - SCHEDULE**

The CTO must approve the annual work-plans described in Section 1.5(b) above, including any significant changes or revisions thereto.

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### *Urban Regeneration*

Turquoise Mountain is successfully rehabilitating and regenerating Murad Khane. It is working in partnership with the local community, the Municipality and Ministry of Urban Development.

- **Built Environment** – So far we have removed 15000 cubic metres of garbage, lowering street levels by up to two metres. Stabilization of 50 dilapidated family homes, the installation of street drains, wells and toilets, has benefited public health as well as making the area safer and more pleasant to be in. This has provided a firm foundation for wider economic and social transformation.
- **Livelihoods** – Work on Murad Khane will continue to provide a job for every unemployed family breadwinner in the area. In addition to priming the local economy, this kind of involvement is critical for a sense of long term ownership. Locals will also be able to find employment and education opportunities at the relocated Institute. The creation of dedicated workshops, like the embroidery centre setup in partnership with the UK's MonsoonAccessorize, will ensure employment a number of women, ensuring extra income for families. Finally, the one hundred shops of the bazaars and water front will be outlets for traditional ceramics, woodwork, calligraphy, jewelry, as well as more modern products.
- **Infrastructure** – With funding from the World Bank and in cooperation with the Ministry of Urban Development's Kabul Urban Regeneration Plan we will soon be installing water and drainage in Murad Khane. In time this will include electricity and sewage removal and treatment.
- **Community Outreach** – The location of a public school and health clinic in Murad Khane has yielded great benefits for the community, particularly for women and ethnic minorities for whom access to these essentials is limited. In time, the Peacock House and Great Serai will accommodate a larger clinic and the Institute for Afghan Arts and Architecture.
- **Architectural Importance** – Many buildings in Murad Khane are of central importance to Afghan architectural traditions: two grand serais, and two houses with beautiful wooden screens and peacock motifs. By using traditional building techniques and providing work for every unemployed male, Turquoise Mountain has enabled the community to reclaim its own unique heritage.
- **Protecting historic value** – Murad Khane is now recognised by the World Monuments Fund as one of the most endangered sites of irreplaceable value. Turquoise Mountain has secured a Presidential *firman* from H.E. Hamid Karzai ensuring its protection as a historic area. It is also working to ensure that land-use in Murad Khane reflects the delicate balance of the historic Islamic city. By rebuilding the bazaars and marking the land for education, religion, housing and public space, the dynamism of the area will be sustained.
- **Embedding future value** – A key element of Turquoise Mountain's strategy for sustainability is its Institute for Afghans Arts and Architecture. While reviving traditional woodwork, ceramics, calligraphy and jewelry making skills, the Institute also forms the centre piece for Murad Khane. Its four schools will be housed in the Great Serai, Doubled Columned Serai and House of Screens. As well as raising the profile of the area it will provide employment for residents, education for people from across the country and will embed permanent value in to the area.
- **Quality of Life and Community Pride** – A reconstructed and regenerated Murad Khane will have a proud community with a dramatically improved quality of life. Public health, education and economic prospects as well as a healthy urban environment will all contribute to this. At its core will be the resurgent traditional craft economy of Afghanistan. Murad Khane will be a catalyst for the city, showing that development does not have to at the expense of proud cultures and traditions. It will be a landmark for the country and Islamic world at large.

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### USAID Component

Turquoise Mountain is seeking support for Urban Regeneration from USAID to supplement the existing funding from philanthropists, the Canadian Government and other international donors. The USAID component will amount to USD 3,618,540 from a total spend of USD 5,528,636 for the period 2009 – 2010. It will be focused on rehabilitation, revitalization of public spaces and the creation of educational and commercial quarters.

- **Education Sector** - The relocation of the Institute of Afghan Arts and Architecture to Murad Khane will reinforce the area as an artisan economic area, in addition to restoring the pride of the community, the city and the nation. The Institute will house the Calligraphy, Woodwork, Ceramics and Jewelry schools as well as a visitors' centre and exhibition hall. The latter will attract visitors to the school. Those who come to visit will have the opportunity to shop and visit the rest of the area, this should act as a catalyst for new businesses, creating employment, and revitalizing the local economy.
- **Retail Sector** - The rehabilitation of commercial spaces will increase the areas economic activity. The creation of a new bazaar street, wider commercial buildings, covered market spaces and a new serai will increase commercial opportunities for small traders both by offering well serviced facilities in a regenerated area and attracting new customers to the area from Kabul, the rest of Afghanistan, and in the longer term, abroad.
- **Community Quarter and Shrine** - These following improvements will provide a safe, sanitary, and secure environment in which the families of Murad Khane can thrive and take pride in their community once again. Paving the roads, introducing the sanitation and drainage will both make the area cleaner improving living standards for residents as well as making the area more appealing to visitors'. The Abu Fazl and Panj Tan Shrines are the heart of the community and, being among Afghanistan's principal Shia shrines, draw visitors from across the country. The rehabilitation of the two shrines, as the focal buildings of the area, will be a key part of the regeneration effort. The revitalization of the waterfront will also be central to attracting visitors, which is visible to the rest of Kabul.
- Other reconstructed buildings will serve particular sectors of the community. The new building for the already functioning public primary school will enable it to run more classes and expand its curriculum, enhancing opportunities for Murad Khane's future. As most of the homes in the area do not have running water the men's hammam will improve the health and hygiene by giving them a clean place for regular washing. (A hammam for women and children is being funded by another partner in 2008-2009). The rehabilitation of the Takiakhane, the Shia refuge where the very poorest are housed and fed, will improve living conditions and quality of life for those who live there. Other buildings will provide space for the expansion of the community development programs detailed in the next section.

ATTACHMENT 2 – PROGRAM DESCRIPTION

Urban Regeneration – Project Delivery Framework

Goal	Objectives	Activities	Outcome	Indicators/Milestones/ Accomplishments to date
To regenerate, Murad Khane, an area of historic Kabul, restoring, refurbishing and revitalising the old city, improving life for its residents, drawing visitors to its buildings, crafts workshops and markets.	1. Rehabilitated historic buildings for use by Institute and community, and repaired damaged or unsafe homes	Full rehabilitation of 13 major historic buildings  Fit-out of Institute buildings for educational use, including offices, kitchens, assembly and recreational space	The value of historic landmark buildings in the centre of Kabul unlocked, thus rehabilitating historic identity of the area  Historically significant area, once forgotten, now used for high-quality education for Afghan women and men in traditional arts.	13 major historic buildings rehabilitated and given educational or other community purpose.  First historic building, housing school of ceramics moved into in Nov 2008, Main Institute buildings complete in late 2010
	2. Rehabilitated infrastructure including paving, drainage and sanitation in a way sensitive to the old city and the environment	Rehabilitate and fit-out selected buildings for mixed residential and retail use  Emergency repairs to dilapidated or unsafe homes  Level streets, install paving and drainage  Finalize concept and implement for sustainable sewerage and sanitation solution  Finalize concept and implement water supply to houses  Install paving and drainage on waterfront street	Infrastructure for the revival of local economy in place  All residents living in safe homes  Households and businesses in Murad Khane rendered habitable and given access to electricity, running water and proper sanitation  Clean streets and improved public health and hygiene  Improved health and hygiene for all household  Safe waterfront street, attractive to traders	Number of traders moving into facilities.  Ongoing repairs and stabilization. 50 homes completed to date. Implemented on a case by case basis.  All streets in Murad Khane paved to high standard, with all waste water removed below street level.  All houses in old quarters of Murad Khane connected to safe disposal sewage  All houses in old quarters of Murad Khane with water supply.  Safe and drained walkway along riverside

**ATTACHMENT 2 – PROGRAM DESCRIPTION**

Objectives	Activities	Outcome	Indicators/Milestones/ Accomplishments to date
3. Rehabilitated old bazaar, revived commercial streets and community facilities	<p>Refit bazaar stalls and add covering to 10m of bazaar</p> <p>Reconstruct public hammam</p> <p>Fit out of historic building as silk-weaving workshop</p> <p>Build public school</p>	<p>Improved selling facilities</p> <p>Improved public health</p> <p>Exemplification of successful craft business being located in revived commercial quarter</p> <p>Improved facility for primary education of all local children</p>	<p>10 meters of covered bazaar and all current stalls refitted to be safe and secure</p> <p>Equal access for women, men and children to washing facilities</p> <p>Attraction of local material sellers to be near weaver, commerce and employment.</p> <p>Quality of school leads to increase in pupil numbers from 64 to 100, allowing for pupils from outside area to attend</p>
4. Rejuvenated, safe public spaces, cleared of garbage	<p>Continue to remove six decades of accumulated garbage</p> <p>Install street furniture including trees</p> <p>Finalize concept and install fire-hydrant system</p> <p>Reconstruct gated street entrances to manage traffic flow</p>	<p>Improved build environment, public health, access to streets and houses</p> <p>Improved environment that is attractive residents and visitors</p> <p>Functioning hydrant system which fits into the historic fabric of the area</p> <p>Gates at major entrances to the area, limiting vehicular access and allowing Institute and residential areas to be secured at night.</p>	<p>All streets completely cleared of garbage - 15 000 cubic metres cleared to date</p> <p>Increased use of public areas by families for recreation</p> <p>Effective fire-hydrant system with maintenance regime</p> <p>Monitorable access to commercial and residential areas of Murad Khane.</p>

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### **Community Development**

Turquoise Mountain's community development projects compliment the physical regeneration of Murad Khane and is a sub-program of the wider urban regeneration program. Projects include the creation of public spaces in Murad Khane, the provision of health care, and education and delivery of livelihood projects (particularly targeted at women).

- **Health Care** - Our recently established clinic offers primary healthcare and basic medication to Murad Khane families. This has been particularly welcomed by the women of Murad Khane. Previously, women had to take a significant time away from household responsibilities to seek medical care, and a male family member also would have to take time away from work to accompany her. The presence of a clinic within the community allows women to obtain care for themselves and their children. In addition to having a doctor on call 24/7, and a gynecologist, it also assists with the navigation of the wider healthcare system in Kabul, opening access to treatment for more severe problems.
- **Primary Education** - Turquoise Mountain has established a primary school in Murad Khane providing full time education to 5 -10 year olds. It is a fully established and is registered with the Ministry of Education. We now have 104 children attending full time classes and we are providing supplementary courses for additional students, including adults. We are working to increase the number of students to 200 over the next three years, develop a Ministry of Education approved curriculum, an extended timetable and better facilities and materials.
- **Skills Training** - Turquoise Mountain currently offers embroidery training, literacy classes and health education. The centre has trained 30 women in embroidery, and there are 26 people in the women's literacy program. The health education programs are in the process of being introduced. We hope to develop additional programs in the future aimed at income generation and skills development.
- **Self-Organization** – We are working with the Shuras of Murad Khane to build capacity in self governance. The Shura is used as a forum for dispute resolution and will benefit from mentoring in order to ensure it is respected and serves the community. It will also serve as a key stakeholder in the protection of Murad Khane as a site of historic and cultural importance for the city. Turquoise Mountain wishes to grow capacity in Murad Khane for the community to make decisions about administrative issues, such as waste disposal and street management.

### **USAID Component**

Turquoise Mountain is seeking support for Community Development from USAID to supplement the existing funding from philanthropists and the Canadian Government. The USAID component will amount to USD 43,527 from a total spend of USD 484,452 for the period 2009 – 2010. It will focus on community development work in 2009-2010. Support from USAID will cover the following:

### **Staffing costs in 2009/2010**

This will cover 75% of Afghan staffing costs in 2010. This includes the cost of a team of health and education advisers who deliver the program, two part time health and hygiene advisers and support staff. All staff are Afghan and preference is given in recruitment to members of the Murad Khane Community.

### **Direct Project costs in 2010**

This will cover direct costs for the delivery healthcare through the Murad Khane Clinic, health and hygiene awareness raising activities, materials for the primary school and the delivery of skills training.

ATTACHMENT 2 – PROGRAM DESCRIPTION

Community Development – Project Delivery Framework

Goal	Objectives	Activities	Outcome	Indicators/Milestones/ Accomplishments to date
The community of Murad Khane to be self-organizing, able to meet its own social welfare needs and have a sense of protection and stewardship for this historic area	1. Improved health of Murad Khane residents	Murad Khane public clinic: doctor on call 24/7, a female gynecologist, and dispensary for medicine at cost price and free to the poorest.  Clinic assists patients to navigate public healthcare system within Kabul.  Community Health Outreach: identifies and prioritizes community health needs, offering education package advising on personal health and family hygiene  Social welfare program: drug rehabilitation, gambling and domestic abuse awareness programs	Short-term: Primary healthcare need administered to (100 of the poorest families in Kabul = 600 people)  Long-term: Improved health of whole community  Residents able to access effective diagnosis and long term treatment  Short-term: Reduced incidences of injury and illness in the home  Long-term: Team of female health visitors  -Increased awareness of the impact of drugs and gambling. -Reduced domestic violence -Improved economic prospects for families	- So far sees 40-50 patients per week, mostly women. - Decreased infant mortality - Eradicated TB and Hep B by year 3  - Number of clinic referrals  - Fewer clinic referrals relating to, household injuries, or diseases relating to malnutrition  - Number of people receiving rehabilitation. - Number of working adult males in employment
	2. Improved educational level of Murad Khane residents	Primary Education for 85 children, covering Dari, Math, Physics, Citizenship, Sport, Religious studies, Chemistry  Grow the school by one grade per year, and increase skill base of teachers  Literacy program for women and adult courses including English  Story telling and art course for children of area focusing on history of the area	Improved education and therefore employment prospects.  Educational opportunity extended to broader age range  Increase in skills base and employment prospects  Sense of stewardship of area in younger generation	- Percentage of children of the area attending school and attainment scores  - Percentage receiving primary education  - Number of women completing course - Number of attending classes

**ATTACHMENT 2 – PROGRAM DESCRIPTION**

<b>Objectives</b>	<b>Activities</b>	<b>Outcome</b>	<b>Indicators/Milestones/ Accomplishments to date</b>
3. A community which can self organize, meeting its welfare needs and safeguarding the area.	<p>Build capacity for infrastructure management by Shura, including garbage disposal, drainage and sewerage maintenance</p> <p>Build capacity for dispute resolution by Shura</p> <p>Social welfare, including drug rehabilitation, gambling and domestic abuse awareness program run by community after three years</p> <p>Working with the Shura to promote engagement with government and municipality to protect heritage of area</p>	<p>Better drained streets and clean, efficient garbage disposal. Better garbage issue trouble shooting.</p> <p>Reduce levels of conflict in the community</p> <p>Permanent community facility to deal with incidence of drug abuse and gambling</p> <p>Permanent and effective advocacy on behalf of one of Kabul's most historically significant communities</p>	<p>- Number of key roles identified and filled by members of the community</p> <p>- Number of incidents escalated to the Shura</p> <p>- Used as a facility as a first point of contact for these matters</p> <p>- Regular attendance and municipal forums and accepted as a key stakeholder at government level.</p>

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### Education

There are four schools at the Institute for Afghan Arts and Architecture: woodwork, ceramics calligraphy and jewelry making. The curriculum of each lasts for three years with the first full graduates expected to complete in 2009. The training courses are based in traditional, sustainable practices using hand tools and local materials before students are then given access to modern methods and machinery. In addition there are courses in Art History, Design, Drawing, Business, IT, Literacy and English. The curricula are designed to equip students with the core skills of their crafts and the knowledge to make a sustainable future from them.

- **Open Access** – Places to study at the Institute are open to any person who shows the aptitude regardless of their financial background, ethnicity or gender. Currently the Institute has 80 students and has both women and men of all ages. New years are selected each year by open competition. For the new year starting in January 2009 there were 600 applications for 30 places.
- **Graduate Livelihoods** - If traditional art and architecture are going to thrive in Afghanistan and reach the wider world, it is vital that there are opportunities for graduates of the Institute. Access to business starter loans, apprenticeships with practicing masters and placements in businesses will help encourage aspiring students to transform their skills into commercial opportunities. Travel scholarships and student exchanges with partnering Institutes will foster vibrancy and the sharing of resources.
- **Institutional Sustainability** - Turquoise Mountain is transforming the Institute into a permanent and sustainable resource to benefit the whole nation. Locating it in Murad Khane will catalyse the area and community, providing employment, educational and commercial opportunities. This is the essence of Turquoise Mountain's strategy for sustainable development.
- **Financial Sustainability** - The location of the Institute in Murad Khane contributes to a comprehensive strategy for regenerating the old city. The value added to the land by improving the built environment and creating zones for commerce will improve opportunities to raise revenue to fund the Institute, involving the local community in regenerating their own environment.
- **Growing Capacity** - In addition to increasing the Institute's capacity by recruiting more teachers it is important to be able to take on new crafts, such as jewelry and textiles, as opportunities arise. In turn, this will enable students and the Institute to respond quickly to commercial opportunities which arise in the regenerated Murad Khane and the country at large.
- **Long Term Commitment** - Turquoise Mountain plans a long term commitment well into the 21st Century. Education will play a central part in this, bringing together the very best aspects of Afghan cultural heritage with sustainable livelihoods. It will encourage the use of artisan skills to generate commercial opportunities, advancing the benefits of urban regeneration, transforming ordinary lives, in Kabul and Afghanistan. It will enable Afghans to reclaim the pride and dignity and enhance a tradition the whole nation can unite around.

### USAID Component

Turquoise Mountain is seeking support for Education from USAID to supplement the existing funding from philanthropists, the Canadian Government and other international donors. The USAID component will amount to USD 1,207,037 from a total spend of USD 2,264,961 for the period 2009 – 2010.

Funding will be targeted at establishing the Institute in 2009-2010 as a national centre of excellence, after which it will be run in partnership with the Afghan Government, funded jointly by the Ministry of Education and rental income from restored buildings managed by the Government of Afghanistan and a Turquoise Mountain Trust Fund. USAID funding will contribute to:

- Improve knowledge in and raise value of traditional Afghan arts
- Build capacity in Afghan management team and teaching staff

## ATTACHMENT 2 – PROGRAM DESCRIPTION

- Equip vocational training workshops and classrooms in Murad Khane
- Introduce three-year courses in traditional Afghan jewelry and textiles
- Continue to evaluate and improve teaching materials, equipment and resources
- Continue to improve curriculum design and content based on traditional methods and techniques to achieve highest standards at an international level
- Train teaching staff in workshop best practices and machine safety to international standards
- Form extensive arts and architectural library and accompanying digital resources
- Develop commercial, artistic and teaching opportunities for students during third year of study and post-graduation
- Build relationships with local institutions and business to expand graduate opportunities
- Establish international exchange programs for students and ustads
- Obtain vocational accreditation through international arts institutions
- Identify further areas in which to engage with Ministry of Education
- Support and comply with national vocational accreditation processes

ATTACHMENT 2 – PROGRAM DESCRIPTION

Education – Project Delivery Framework

Goal	Objectives	Activities	Outcome	Indicators/Milestones/ Accomplishments to date
The establishment of a sustainable centre of excellence for traditional Afghan Arts in the form of the Institute for Afghan Arts and Architecture, in Murad Khane	1. Offer education in woodworking, calligraphy, ceramics and jewelry, (and other crafts in the future), in addition to classes in IT, English, literacy, business and Islamic Art and Architectural History, to students of any background who show an aptitude	Three year vocational courses in either ceramics, jewelry making, woodwork, or calligraphy (growing to include textiles and other crafts) and Islamic Art and Architectural History	Graduate Artisans who understand both their art and also its context and tradition	<ul style="list-style-type: none"> <li>- Number of women and men enrolled</li> <li>- Number of graduates (students who complete three years)</li> <li>- Number of graduates wishing to start craft enterprises</li> </ul>
	2. An Institute located in Murad Khane, integrated into the community as a sustainable and regional centre of excellence	<ul style="list-style-type: none"> <li>Supplementary courses in business, IT, English and literacy</li> <li>Provision of stipends and scholarships to the most in need, and small grants to graduates wishing to start their own businesses.</li> <li>Develop exchange programs with regional Institute in neighbouring countries</li> <li>Relocation of Institute from current premises in Karte Parwan to Murad Khane</li> <li>Instigation of a managing board which draws stakeholders from government, the local community and Turquoise Mountain</li> <li>Develop sustainable funding model for after 2011</li> </ul>	<ul style="list-style-type: none"> <li>Graduate Artisans who have the capacity to start small businesses</li> <li>- Opportunity for anybody to apply regardless of background</li> <li>- Craft businesses started by graduates</li> <li>Knowledge transfer of best practice from international arts schools</li> <li>Historically and architecturally significant buildings imbued with a new educational purpose, creating an educational quarter in Kabul's city centre</li> <li>An Institute which is well regarded by all stakeholders and that is subject to good governance</li> <li>An institute which runs on \$350,000 p.a. and is funded in part by a Trust and part by GoA</li> </ul>	<ul style="list-style-type: none"> <li>- Number of mutual exchanges between comparable international institutes</li> <li>- Recognition in media, from Government of Afghanistan and from comparable international institutes of its worth</li> <li>- Good financial management, high attainment by students, funding from GoA</li> <li>- Runs to budget</li> </ul>

## ATTACHMENT 2 – PROGRAM DESCRIPTION

### **Business Development**

In response to increasing demand in early 2007 the business development program established three commercially driven production units which prime the traditional arts economy in Kabul and generate livelihoods. These units work with the schools ensuring that there is a constant flow of improved techniques and ideas, ensuring the sustainability and longevity of those jobs. Major international commissions from London to Japan have already been secured, bringing great prestige to the units and their employees. To build up the craft sector as a whole we also work with a network of established craft businesses, providing them with training, facilities and access to finance.

- **Improving Quality** – We employ national, regional and international advisors who offer artistic and technical expertise to craft workers on everything from improving the quality of wood joinery to increasing the strength of ceramic glazes. High quality and sound design will enable Afghan crafts to compete at the highest level. By nurturing existing talent and creating opportunities, Turquoise Mountain is helping Afghans to take pride in their art.
- **Production** – Our production unit currently employs 35 trained crafts people and graduates from the schools. Men and women make ceramic pots, architectural columns, wooden chests, mirrors, patayi screens and Nuristani carved boxes. They are sold locally and increasingly in international markets.
- **Reaching Markets** – Re-establishing demand, raising product profiles, branding and networking will be instrumental in bringing Afghan arts and crafts to the global market place. As a first step to create access for Afghan arts and crafts products to markets Turquoise Mountain has set up a network of furniture, jewelry, textile and ceramic artisans under the name *Turquoise Mountain Arts*. A joint gift range has been put together at President Karzai's request and is available through a catalogue and on the website: [turquoisemountainarts.af](http://turquoisemountainarts.af). Priming the industry in this way will enable businesses to develop their own share of the international market.
- **Capacity** – Maintaining the link between business and education is central to building the capacity of the arts and crafts industry. In 2006 Turquoise Mountain setup an Institute for Afghan Arts and Architecture, teaching traditional Afghan arts including woodwork, calligraphy and ceramics. In 2008 education jewelry making will be added to the portfolio. Capacity in each of these crafts will grow over the coming years as the Institute grows in size and reputation.
- **Partnerships** – Turquoise Mountain also provides support to a network of small and medium sized craft producers. The support ranges from technical assistance to access to finance and markets. As students from the Institute graduates we will be focusing on helping - particularly talented students - in setting up their own business and placing others in already existing operations. This network has already begun to collaborate, identify new markets and customers and look at ways to solve common challenges such as getting products to markets at a competitive price.

### **USAID Component**

Turquoise Mountain is seeking support for Business Development from USAID to supplement the existing funding from philanthropists, the Canadian Government and other international donors. The USAID component will amount to USD 1,130,896 from a total spend of USD 2,553,201 for the period 2009 – 2010. It will provide significant portion of funding for the Business Development program, which ensures livelihoods, jobs, income and a sustainable future for the traditional craft economy.

The USAID component will fund:

#### **Developing Craft Industries**

- Build up a portfolio of high quality products and continue to increase quality and production efficiency.
- Provide technical expertise in all relevant production areas e.g. ceramics and woodwork.

## ATTACHMENT 2 – PROGRAM DESCRIPTION

- Invest in equipment and training and put production and sales systems in place that can be taken over by Afghans.
- Invest in design and marketing establishing Turquoise Mountain Arts as the leading international brand for traditional Afghan crafts.
- Develop international markets, in particular work to strengthen connections with the Gulf and Middle Eastern markets with the aim of increasing sales every year.
- Continue to develop the Turquoise Mountain Arts website ([www.turquoisemountainarts.af](http://www.turquoisemountainarts.af)), as a platform for Afghan craft producers. Incorporate online sales capacity into the website.
- Address problems in export for Afghan crafts and design solutions to storage, transportation, export/import duties, and more that can be replicated by other suppliers.
- Increase opportunities to cross-fertilize and share expertise through the Turquoise Mountain Arts network.

### **Developing Partner and Sustainable Businesses**

- Expand the network of existing businesses in the area of arts and crafts working as to build up capacity of subcontractors.
- Identify new eligible small and independent producers, provide them with training and quality management and use them as subcontractors.
- Help graduates from the Turquoise Mountain schools set up new businesses.
- Create an environment for craft businesses to operate in Murad Khane. This includes providing business training and shop space.
- In the longer term down-scale direct Turquoise Mountain involvement by reducing in-house production, handing over larger assignments and commissions to well trained and established outside businesses (who have worked as subcontractors or have graduated from our schools). Turquoise Mountain will continue to help attract buyers, negotiate contracts and oversee quality control.

ATTACHMENT 2 – PROGRAM DESCRIPTION

Business Development – Project Delivery Framework

Goal	Objectives	Activities	Outcome	Indicators/Milestones/ Accomplishments to date
<p>Thriving artisan craft industry in Kabul centered on Murad Khane, providing employment and contributing to the revival of the traditional arts economy</p>	<p>1. Capacity built in existing business, and new craft businesses established by young entrepreneurs</p>	<p>Network with existing craft manufacturers in order to share expertise on production and marketing Provide finance to graduates of Institute wishing to start small businesses Product development of Turquoise Mountain brand products including ceramic pottery, woodwork, calligraphy and jewelry</p>	<p>Existing businesses have access to advice otherwise unobtainable New and existing craft businesses developed Revenue generated and repeatable high-quality products produced</p>	<p>Already established Turquoise Mountain Arts brand with joint catalogue Number of new enterprises assisted Revenue generated and discernable increase in quality of products, partly measurable by market value</p>
	<p>2. New market for high-end traditional crafts</p>	<p>Business advice centre set up in Murad Khane and revamp of trader's outlets in Murad Khane Produce high-end Afghan crafts for international and domestic commissions Showcase high-end Afghan artisan products in Middle East and Europe Run a craft shop in Karte Parwan office and in Murad Khane Set-up and run shop in Dubai</p>	<p>- Business advice available in Murad Khane - Refurbished, safe bazaar stores Increased interest in and demand for Afghan arts, crafts, and culture generated domestically and internationally Lasting economic ties to global markets created Revenue generated and experience of production gained Revenue generated that can be put back into Institute and product development</p>	<p>- Number of consultations - Number of new businesses attracted to Murad Khane bazaar Already begun with, for example, \$35,000 commission to fit-out library of the new Afghan Embassy in Tokyo Number of orders generated Revenue of shop Revenue of shop and media coverage of Turquoise Mountain brand within the Middle East</p>