Re: Afghanistan Reconstruction Trust Fund Grant Agreement (TF098459)  
Third Emergency National Solidarity Project  
Fifth Letter of Amendment – Increase of Grant Amount

Excellency:

I refer to the Afghanistan Reconstruction Trust Fund Grant Agreement dated January 24, 2011 (the “Grant Agreement”) between the Islamic Republic of Afghanistan (the “Recipient”) and the International Development Association (the “Association”), in its capacity as the Administrator of the Afghanistan Reconstruction Trust Fund (the “ARTF”) for the Third Emergency National Solidarity Project (“NSP-III” or the “Project”).

I further refer to communication sent by the Association to the ARTF’s Management Committee on December 8, 2014, informing them about the Administrator’s decision to release the fifth tranche of the incremental funds for financing of the NSP III in the amount of one hundred million United States Dollars (US$100,000,000).

I am therefore pleased to propose that the Grant Agreement be amended as follows:

1. Section 3.01 of the Grant Agreement shall be hereby amended to read:

“The Administrator agrees to extend to the Recipient, on terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to one billion and fifty million United States Dollars (US$1,050,000,000) (the “Grant”) to assist in financing the Project.”

2. The table in paragraph A.2 of Section IV of Schedule 2 to the Grant Agreement shall be hereby amended to read:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (Inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, training, Block Grants and Incremental Operating Costs* for the Project</td>
<td>1,022,700,000</td>
<td>100% of amounts disbursed by MRRD for Block Grants, and 100% of amounts disbursed for all other Eligible Expenditures.</td>
</tr>
<tr>
<td>(2) Remuneration of MRRD Contractual Staff**</td>
<td>23,310,000</td>
<td>40%</td>
</tr>
<tr>
<td>Category</td>
<td>Amount of the Grant Allocated (Expressed in USD)</td>
<td>Percentage of Expenditures to be Financed (Inclusive of Taxes)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs of MRRD***</td>
<td>3,990,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,050,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Unless the context otherwise required, and except where otherwise defined in this amendment letter, all capitalized terms contained herein shall have the meaning given to them in the Grant Agreement.

Please confirm your agreement to the amendment set out above by signing, or arranging for an authorized representative of the Recipient to sign, the form of confirmation set out below, returning one fully executed original of this amendment letter to us at your earliest convenience and retaining one original for your records. Upon receipt by the International Development Association of this countersigned copy, this amendment shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(Acting as Administrator of the Afghanistan Reconstruction Trust Fund)

By: Stephen N. Ndegwa  
Acting Country Director for Afghanistan  
South Asia Region

AGREED AND CONFIRMED:  
ISLAMIC REPUBLIC OF AFGHANISTAN

By: Authorized Representative

Name: MOHD. MUSTAFA MASTOO
Title: ACTING MINISTER OF FINANCE
Date: DEC 23, 2014