February 26, 2012

Mr. Reiichiro Takahashi
Ambassador of Japan
Embassy of Japan
Street 15, Wazir Akbar Khan
Kabul, Afghanistan

Dear Mr. Takahashi:

AFGHANISTAN
Afghanistan Reconstruction Trust Fund (Ref: TF050576)
Memorandum for Contribution (MFC) No.2

We refer to the Arrangement for the Administration of the Afghanistan Reconstruction Trust Fund dated July 29, 2002 between the Government of Japan on the one part, and the International Bank for Reconstruction and Development and the International Development Association (collectively the “Bank”), acting as administrator of grant funds contributed by various donors (collectively the “Donors”) to the Afghanistan Reconstruction Trust Fund (“ARTF”), on the other part, whereby the Ministry of Finance of Japan agreed to transfer two million five hundred thousand United States dollars (US$2,500,000) from the Japan Social Development Fund administered by the Bank, as a grant for the purpose of contributing to the ARTF. We also refer to the Letter Agreement dated August 29, 2002 between the Ministry of Foreign Affairs of Japan (the “Donor”), on the one part, and the Bank on the other part (the “Letter Agreement”), pursuant to which the Donor has made available to the Bank two million five hundred thousand United States dollars (US$2,500,000), and to the Memorandum for Contribution dated March 2, 2011 between the Donor on the one part, and the Bank on the other part, whereby the Donor has made available to the Bank an additional twenty million United States dollars (US$20,000,000), for the purpose of contributing to the ARTF. The aggregate sum of contribution to date from the Government of Japan equals twenty-five million United States Dollars (US$25,000,000).

We acknowledge the intention of the Donor to increase its contribution to the ARTF by an additional one hundred thirty-eight million United States dollars (US$138,000,000) (such amount the “Additional Contribution”). After the Additional Contribution has been received by the Bank, the aggregate contribution will be one hundred sixty-three million United States dollars (US$163,000,000).

Without prejudice to paragraph 7(a) of the Annex to the Letter Agreement, we acknowledge the Donor’s preference that out of the Additional Contribution, i.e., one hundred thirty-eight million United States dollars (US$138,000,000), provided by the Donor, a sum of forty million United States dollars (US$40,000,000) will be used for the purpose of co-financing the Capacity Building for Results Facility Project (the “CBR”) and a sum of forty-four million United States dollars (US$44,000,000) will be used for the purpose of co-financing the National Solidarity Program (the “NSP”) (CBR and NSP collectively referred to as the “Projects”).
The Bank will use its discretion to ensure that out of the Additional Contribution, a total of eighty four million United States dollars (US$84,000,000) supports the Projects under the ARTF as indicated in the paragraph above.

Following confirmation of the MFC by you, the Donor will deposit the Additional Contribution into a bank account designated by the Bank.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Josephine M. Bassinette
Acting Country Director for Afghanistan
South Asia Region

Confirmed:
MINISTRY OF FOREIGN AFFAIRS OF JAPAN

By: [Signature]

Name: Reiichiro Takahashi
Title: Ambassador to Afghanistan
Date: February 28, 2012