May 14, 2012

H.E. Hazrat Omar Zakhilwal
Minister of Finance,
Ministry of Finance
Islamic Republic of Afghanistan
Kabul, Afghanistan

Excellency:

Re: Afghanistan Reconstruction Trust Fund Grant Agreement (TF093854-AF)
Afghanistan Skills Development Project (ASDP)

First Amendment – Increase of Grant Amount

1. I refer to the ARTF Grant Agreement dated April 14, 2009, (the “Grant Agreement”) between the Islamic Republic of Afghanistan (the “Recipient”) and the International Development Association, acting as administrator of Afghanistan Reconstruction Trust Fund (the “World Bank”), for the financing of the Recipient’s Skills Development Project (the “Project”).

2. I am pleased to inform that in light of the decisions by the Management Committee of the Afghanistan Reconstruction Trust Fund in its recent meeting of March 19, 2012, the World Bank would like to: (i) increase in an additional nine million United States Dollars (US$9,000,000), the amounts made available to the Recipient under the Grant Agreement; and (ii) extend the Grant Agreement’s Closing Date.

3. To this end, the World Bank hereby proposes to amend the Grant Agreement as follows:

(i) Section 3.01 of the Grant Agreement shall read:

“The Administrator agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to eighteen million United States Dollars (USD18,000,000) (“Grant”) to assist in financing the Project.”

(ii) The table in Section IV.A, paragraph 2, of Schedule 2 to the Grant Agreement shall 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 consultants’ services, training and Incremental Operating Costs* for the Project</td>
<td>18,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>18,000,000</td>
<td></td>
</tr>
</tbody>
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Paragraph 2 in Section IV.B. of Schedule 2 to the Grant Agreement shall read:

"The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2014"

4. Except as specifically amended by this letter, all other existing provision of the Grant Agreement shall remain in full force and effect.

5. Please confirm your agreement to the amendment set out above by having an authorized representative of the Recipient sign the form of confirmation set forth herein below, and returning one fully executed original of this letter to us at your earliest convenience. Please retain the other original copy for your records.

6. The foregoing proposed amendment shall enter into force and effect on the date of countersignature herein below, once the signed copy has been received by the World Bank.

Sincerely,

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

[Signature]
Robert J. Saum
Country Director for Afghanistan and Bhutan
South Asia Region

CONFI RMED and AGREED
On behalf of the

<table>
<thead>
<tr>
<th>By:</th>
<th>Name: DR. OMAR ZAKHLWA L</th>
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<tbody>
<tr>
<td>Title: MINISTER OF FINANCE</td>
<td></td>
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<tr>
<td>Date: MAY 20, 2012</td>
<td></td>
</tr>
</tbody>
</table>
Cc: H.E. Farooq Wardak, Minister of Education, Ministry of Education
   H.E. Amina Afzali, Minister of Labor, Social Affairs, Martyrs and Disabled People,
   MoLSAD
   Dr. Mohammad Mustafa Mastoor, Deputy Minister of Finance, MOF
   Mr. Ahmad Javed Jalali, Director General Budget, Ministry of Finance
   Mohammad Asif Nang, Deputy Minister of Technical Vocational Education &
   Training, MOE
   Zubairuddin Kerami, Deputy Minister of Labor Affairs, MoLSAD
   Dr Sayed Hamidullah, Deputy Minister, Administration and Finance, MOE
   Mohammad Sarwar Azizi, Chief of Staff & Senior Technical Advisor to the Minister,
   MOE
   Mr. Ziaulhaq Safi, Financial Management Director, MOE
   Noorullhaq Farid, ASDP Manager, MOE

   Mr. Javed Talat, Executive Director for Afghanistan, The World Bank
   Mr. Samiullah Ibrahimi, Advisor to Executive Director, The World Bank
Cleared with and bcc: Martin (TACT/CTRTF) Zhao (SAC01);

bcc: Messrs./Mmes.: Afghanistan CMU (SAC01); Zhao (SARVP); O’Brien (SARDE); Van Tilburg (LEGES); Redaelli (SASEP); Kabul Procurement (SARPS); Narayan, Farooq (SARFM); Dar, Chakravarty, de Silva, Farahi, Haidary, Qurishi, Graite (SASHD)

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