January 19, 2012

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

Excellency:  

Afghanistan: Power System Development Project  
(ArtF Grant Number TF093513-AF)  
Amendment to Afghanistan Reconstruction Trust Fund Grant Agreement  

We refer to the Afghanistan Reconstruction Trust Fund Grant Agreement dated March 19, 2009 as amended and restated on February 01, 2011 (the “Grant Agreement”) for the Power System Development Project (the “Project”), between Islamic Republic of Afghanistan (the “Recipient”) and International Development Association (the “Association”), acting as administrator (in such capacity, the “Administrator”) of the Afghanistan Reconstruction Trust Fund (“ARTF”).  

1. We propose to amend Part C of Schedule I (Project Description) to the Grant Agreement to read as follows:  

“Part C: Institutional Capacity Building and Project Management Support  

(i) Establishment of a unit within MEW to promote energy efficiency and demand side measures, implementation of selected energy efficiency and demand side pilots, and preparation and implementation of a communication strategy for awareness among consumers;  

(ii) Provision of training to MEW staff in project and contract management tasks including financial, and procurement management and technical areas related to the energy sector, including energy efficiency;  

(iii) Carrying out baseline studies and communication with stakeholders;  

(iv) Provision of Project management and implementation support for Part A, B and C(ii), (iii), (v) of the Project, and under EPRP and KAMPP; and  

(v) Support for the preparation of a Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000).  

2. Furthermore, we propose to amend Section II of the Appendix to the Grant Agreement (Definitions) to include the following:  

16. “EPRP” and “Emergency Power Rehabilitation Project” means the project described in Schedule 2 of the Development Credit Agreement between the Recipient and the International Development Association dated July 13, 2004, as may be amended from time to time (ref. Credit No. 3933-AF, ARTF Grant No. TF054718).
17. "KAMPP" and "Kabul, Aybak, and Mazar-e-Sharif Power Project" means the project described in Schedule 1 of the ARFT Grant Agreement between the Recipient and the Administrator dated December 26, 2007 as may be amended from time to time (ref ARTF Grant No. TF091120).

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

All of the terms and conditions of the Grant Agreement that have not been amended pursuant to this amendment letter shall remain unchanged and in full force and effect.

Please confirm your agreement to the amendments 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.

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

Sincerely,

[Signature]

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

Confirmed and Agreed

[Signature]

ISLAMIC REPUBLIC OF AFGHANISTAN

By:
Name: HAZRAT OMAR ZAKHILWAL
Title: MINISTER OF FINANCE
Date: JANUARY 22, 2012
cc: H.E. Mohammad Ismail Khan, Acting Ministry of Energy & Water, MEW, Kabul
Mr. Mohammad Mustafa Mastoor, Deputy Minister of Finance, Ministry of Finance, Kabul
Mr. Ghulam Faruq Qazizada, Deputy Ministry of Energy, Ministry of Energy & Water, Kabul
Mr. Javid Ahmad Jalali, Director General of Budget, Ministry of Finance, Kabul
Mr. Khalid Payenda, Adviser to Minister of Finance, Ministry of Finance, Kabul
Mr. Adris Wali, Aid Unit Coordination Officer, Ministry of Finance, Kabul
Mr. Javed Talat, Executive Director for Afghanistan, The World Bank
Mr. Samiullah Ibrahimi, Advisor to Executive Director, The World Bank