November 29, 2010

Minister Plen. Elisabetta Belloni
Directorate General for Development Cooperation
Ministry of Foreign Affairs
Piazza della Farnesina 1
Rome, I-00194
Republic of Italy

Dear Minister Belloni:

AFGHANISTAN
Afghanistan Reconstruction Trust Fund (Grant No. TF050576)
Seventh Amendment to Letter Agreement

We refer to the Letter Agreement dated October 22, 2002 as amended to date, between the Government of the Republic of Italy, on the one part, and the International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”) (collectively the “Bank”), on the other part, (the “Letter Agreement”), pursuant to which the Government of the Republic of Italy has made available to the Bank the sum of seventeen million United States dollars (US$17,000,000) and forty seven million Euro (€47,000,000), as a grant for the purpose of contributing to the Afghanistan Reconstruction Trust Fund (the “Trust Fund”).

We acknowledge the intention of the Government of the Republic of Italy to increase its contribution to the Trust Fund by an additional four million Euro (€4,000,000) (the “Additional Contribution”). After the Additional Contribution has been received by the Bank, the aggregate contribution to the Trust Fund will be seventeen million United States dollars (US$17,000,000) and fifty one million Euro (€51,000,000).

Without prejudice to the provisions of paragraph 7(a) of the Annex to the Letter Agreement, we acknowledge the Government of the Republic of Italy’s preference that out of the Additional Contribution, one million Euro (€1,000,000) to be used for the purpose of co-financing the National Solidarity Project (NSP), and one million Euro (€1,000,000) for the purpose of co-financing the National Emergency Rural Access Project (NERAP) (collectively the “Projects”) under the Trust Fund. The Bank will use its discretion to ensure that said portion of the Additional Contribution support the Projects under the ARTF. The remaining two million Euro (€2,000,000) of the Additional Contribution will not have expressions of preference to specific projects/programs.

Following confirmation of this amendment to the Letter Agreement by you, the Government of the Republic of Italy will deposit the Additional Contribution into a bank account designated by the Bank. Upon receipt of the funds, the Bank shall convert them into United States dollars.

All the terms and conditions of the Letter Agreement, that have not been amended hereby shall remain unchanged and in full force and effect.
We propose that this amendment to the Letter Agreement shall, upon confirmation in the manner indicated below, constitute an agreement between the Government of the Republic of Italy and the Bank. This amendment to the Letter Agreement shall become effective upon signature by both parties hereto. It is the Bank’s policy to make publicly available the Agreement and any information related thereto, including this Amendment. By confirming below, the Government of the Republic of Italy consents to disclosure of this Amendment after it has become effective.

Sincerely yours,

/s/ Josephine Bassinette
Josephine Bassinette
Acting Country Director, Afghanistan
South Asia Region

Confirmed and Agreed:
Government of the Republic of Italy

By: /s/ Elisabetta Belloni
Name: Elisabetta Belloni
Title: Director General
Date: 30 November 2010