Mr. Douglas Williams  
Head of Aid  
Canadian Embassy  
Kabul, Afghanistan  

Dear Madam:  

AFGHANISTAN  
Afghanistan Reconstruction Trust Fund (Ref: TF050576)  

Forty-fifth Amendment to Letter Agreement  

We refer to the Letter Agreement dated September 11, 2002, between the Government of Canada, on the one part, and the International Bank for Reconstruction and Development, and the International Development Association (collectively, the “Bank”), on the other part, as amended to date (the “Letter Agreement”), pursuant to which the Government of Canada has made available to the Bank, through the Canadian International Development Agency (“CIDA”) and through the Canadian Department of Foreign Affairs and International Trade (DFAIT), the aggregate sum of five hundred ninety four million one hundred fifty thousand Canadian dollars (CAD$594,150,000), as a grant for the purpose of contributing to the Afghanistan Reconstruction Trust Fund ("ARTF").  

We acknowledge the intention of the Government of Canada, through CIDA, to increase its contribution to the ARTF by an additional twenty six million Canadian dollars (CAD$26,000,000), (such amount, the “Additional Contribution”). After the Additional Contribution has been received by the Bank, the aggregate contribution to the Trust Fund will be six hundred twenty million one hundred fifty thousand Canadian dollars (CAD$620,150,000).  

Without prejudice to the provisions of paragraph 7(a) of the Annex to the Letter Agreement, we acknowledge the Government of Canada’s preference that out of the Additional Contribution of twenty six million Canadian dollars (CAD$26,000,000), a sum of thirteen million Canadian dollars (CAD$13,000,000) to be used for the purpose of co-financing the projects under the Trust Fund, as mentioned in the table below. The Bank will use its discretion to ensure that the Additional Contribution supports the Project under the ARTF.  

<table>
<thead>
<tr>
<th>Amount</th>
<th>Preference</th>
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<tbody>
<tr>
<td>CAD$5,000,000</td>
<td>Second Education Quality Improvement Program (EQUIP II)</td>
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<tr>
<td>CAD$8,000,000</td>
<td>Strengthening Health Activities for the Rural Poor Project (SHARP)</td>
</tr>
<tr>
<td>CAD$13,000,000</td>
<td>Un-preferred</td>
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The Additional Contribution may involve the carrying out of projects and/or sub-projects which may constitute a “project(s)” within the meaning of the Canadian Environmental Assessment Act (CEAA). In such cases, the Bank will use its own environmental process to ensure that an assessment of the environmental effects of such projects is carried out. When assessments of environmental effects are required, the Bank will supply CIDA with copies of the assessment reports on an annual basis, or such times as may be agreed between the Bank and CIDA.

Following confirmation of this amendment to the Letter Agreement by you, CIDA will deposit the Additional Contribution i.e. twenty six million Canadian dollars (CAD$26,000,000), into bank account designated by the Bank. Upon receipt of the funds, the Bank will 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 Canada and the Bank, and shall become effective on the date of signature of both parties. It is the Bank’s policy to make publicly available the Agreement and any information related thereto, including this amendment. By confirming below, Government of Canada consents to disclosure of this amendment letter after it has become effective.

Sincerely yours,

/s/ Asif Ali

Asif Ali
Acting Country Director for Afghanistan
South Asia Region

CONFIRMED AND AGREED:
GOVERNMENT OF CANADA

By:

/s/ Douglas Williams

Mr. Douglas Williams
Head of Aid, Canadian Embassy
Kabul, Afghanistan

Date: December 21, 2011