H.E. Eklil Ahmad Hakimi  
Minister of Finance  
Ministry of Finance  
Islamic Republic of Afghanistan  
Kabul, Afghanistan

Excellency:

*Afghanistan Reconstruction Trust Fund Grant No. TF017016 Kabul Municipal Development Program Amendment to the Afghanistan Reconstruction Trust Fund Grant Agreement*

We refer to the Afghanistan Reconstruction Trust Fund Grant Agreement dated April 11, 2014 between the Islamic Republic of Afghanistan (the “Recipient”) and the International Development Association (the “World Bank”), acting as administrator of the Afghanistan Reconstruction Trust Fund (the “ARTF”) (the “Grant Agreement”), for the above referenced project.

We also refer to your letter dated May 14, 2017, requesting a restructuring of the Project, which requires certain amendments to the Grant Agreement, and revisions to the performance indicators/results framework as set out in the Project Implementation Manual. We are pleased to inform you that the World Bank concurs with the request, and accordingly agrees to amend the Grant Agreement as set forth below.

**Part B. of Schedule 1** is amended to read as follows:

“Part B: Redesign Kabul Municipality’s Financial Management System  
Supporting the redesign of Kabul Municipality’s financial management system through, inter alia: (i) strengthening the human resources capacity for finance and administration; (ii) carrying out a diagnostic or needs assessment for the implementation institutional reforms to integrate information technology solutions for revenue management, accounting and management development; and (iii) provision of goods, consultants’ services, and training in support of the activities to rollout the Afghanistan Financial Management Information System (AFMIS) to Kabul Municipality.”
II. **Part C of Schedule 1** is amended to read as follows:

"**Part C. [Deleted and Intentionally Left Blank]**"

III. **Section III of Schedule 2** is amended and renumbered to read as follows:

"**Section III.**"

A. All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

B. **Procurement of Emergency Expenditures under the Emergency Response Part**

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part shall be procured in accordance with the procurement methods and procedures set forth in the CERIP."

IV. **Section IV.B.2 of Schedule 2** is amended to read as follows:

"2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2021."

V. The definitions of “Consultant Guidelines”, and “Procurement Guidelines” in the Appendix are deleted in their entirety.

VI. The following new definitions are introduced in the Appendix to read as follows:

"AFMIS" means a computer based system developed by the Recipient for administering its financial activities.


Except as specifically amended in this letter, all other terms and conditions of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the form of confirmation set forth below, and returning one fully countersigned original of this amendment letter to us and retaining one original for your records.

Upon receipt by the World Bank of the countersigned original of this amendment letter, this amendment letter shall become effective as of the date of the countersignature.
Sincerely,

Shubham Chaudhuri
Country Director for Afghanistan
South Asia Region

AGREED
ISLAMIC REPUBLIC OF AFGHANISTAN

By: [Signature]
Authorized Representative

Name: Khalid Payenda
Title: Deputy Minister of Finance
Date: 1/30/2018

cc: H.E. Sayed Sadat Mansoor Naderi, Minister of Urban Development and Housing, MoUDH
Mr. Mohammad Khalid Payenda, Deputy Minister of Finance, Ministry of Finance
Mr. Mustafa Aria, Aid Management Director, Ministry of Finance
Mr. Abdullah Habibzai, Acting Mayor of Kabul, Kabul Municipality
Mr. Shoaib Rahim, Deputy Mayor, Finance and Administration, Kabul Municipality
Mr. Sayed Mahmood, Acting Team Leader, KMDP
Mr. Sher Khan Nassery, Coordinator for the World Bank & ARTF Portfolio, MoF

Mr. Omar Bougara, Executive Director for Afghanistan, the World Bank
Mr. Mohamad Humayun Hamidzada, Advisor to the Executive Director, the World Bank