June 20, 2012

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

Excellency,

Re: Afghanistan ICT Sector Development Project
Amendment to Financing Agreement (Grant No. H665-AF)

We refer to the Financing Agreement for the ICT Sector Development Project ("Project") dated May 15, 2011 (the "Financing Agreement") between the Islamic Republic of Afghanistan (the "Recipient") and the International Development Association (the "Association"). We also refer to the Aide Memoire dated January 24, 2012 following the Implementation Support Mission and the agreement to amend the Financing Agreement in order to improve the Project’s overall performance, management and implementation.

The Association hereby agrees to amend the Financing Agreement as follows:

1. Schedule 1 Part D (Project Management Support) is amended to read:

   "Part D: Project Management Support

   Provision of implementation support to MCIT by: (i) supporting the Project Management Office (PMO) in recruiting staff and acquiring equipment for the office operation; and (ii) building capacity of staff in Project management, including through performance-based incentives."

2. Definition No. 18 (Operating Costs) in the Appendix to the Financing Agreement is amended to read:

   18. "Operating Costs" means reasonable expenditures incurred by the PMO on account of Project management, supervision, monitoring and reporting, including banking services; costs of consumables; in country travel and per diem allowances for Project: staff conducting supervision; office utilities and supplies; communication costs; fuel and maintenance costs for vehicles; advertising expenses; operation and maintenance of equipment, and performance based allowances for selected Project interfacing MCIT staff, which costs would not have been incurred absent the Project, but excluding salaries of civil servants."
3. Schedule 2, Section III C.2 is amended to read

2. "Other Methods of Procurement of Consultants' Services"

The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>(a) Quality-based Selection</td>
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<td>(b) Fixed Budget Select on</td>
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<td>(c) Consultants Qualifications-Based Selection</td>
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<tr>
<td>(d) Least Cost Selection</td>
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<td>(e) Single-Source Selection</td>
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<td>(f) Selection of Individual Consultants</td>
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All capitalized terms used in this amendment letter (the "Amendment Letter") have the same meanings assigned to them in the Financing Agreement.

All terms of the Financing Agreement not hereby amended shall remain in full force and effect.

Please confirm your agreement to the amendments proposed above by signing and dating the form of confirmation on the enclosed two copies of this Amendment Letter and returning one copy to us.

Sincerely,

[Signature]

Robert J. Saum
Country Director for Afghanistan
South Asia Region

[Signature]

ISLAMIC REPUBLIC OF AFGHANISTAN

By: __________________________

Name: Dr. Mohammad Mustafa Mastoor
Title: Acting Minister and Deputy Minister of Finance
Date: June 27, 2012
CC:  H.E. Amirzai Sangin, Minister of Communications and Information Technology, MoCIT
     Dr. Mohammad Mustafa Mstoor, Deputy Minister of Finance, Ministry of Finance
     Eng. Hassam Baryali, Deputy Minister (Technical), MoCIT
     Eng. Wahabuddin Sadaat, Deputy Minister (Administration), MoCIT
     Mr. Abdul Wakil Shergul, Chairman, ATRA
     Mr. Mohammad Yasin, President Afghan Post, MoCIT
     Mr. Adris Walli, Aid Coordination Officer, MOF

     Mr. Javed Talat, Executive Director for Afghanistan, The World Bank.
     Mr. Samiullah Ibrahimi, Advisor to the Executive Director, The World Bank
Drafted by: Tenzin Dolma Norbhu

Cleared with: N. Zhao


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