August 23, 2016

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

Excellency:

Afghanistan: Afghanistan New Market Development Project; Grant No. H680-AF
Amendment to Financing Agreement

We refer to the Financing Agreement ("Financing Agreement") between the Islamic Republic of Afghanistan ("Recipient") and the International Development Association ("Association"), dated July 3, 2011 for the Afghanistan New Market Development Project ("Project").

We also refer to the letter from the Recipient’s Ministry of Finance, dated July 25, 2016, requesting an extension of the closing date. Accordingly, as well as to formally update the results framework/performance indicators, we are pleased to inform you that the Association concurs with the request and:

(A) has established November 30, 2017 as the later date for purposes of Section IV.B.2 of Schedule 2 to the Financing Agreement; and

(B) Proposes to amend the Financing Agreement as follows:

(i) Section II.A.2 of Schedule 2 is amended to read as follows:

“2. The performance indicators referred to above in paragraph (1) consist of the following:

(a) By Closing Date, at least three hundred and seventy five (375) firms have benefited from the FNMD Cost Sharing Grants to increase productivity and innovation for researching and entering new markets, with five percent (5%) of the direct beneficiaries being female;

(b) By Closing Date, the firms/associations benefiting from FNMD Cost Sharing Grants shall have evidenced an average increase in sales revenue from pre-grant levels of approximately twenty percent (20%);

(c) During the life-span of the Project, the firms/associations benefiting from FNMD Cost Sharing Grants shall have created at least one thousand five hundred (1,500) new jobs; and

(d) By Closing Date, the firms benefiting from FNMD Cost Sharing Grants shall have developed at least twenty (20) new products/services, or opened/entered into (20) new markets.”

Except as specifically amended in this letter, all other terms and conditions of the Financing Agreement shall remain in full and effect. The Association will disclose this letter of amendment and related
information in accordance with the Association’s Policy on Access to Information. By entering into this letter of amendment, the Recipient consents to such disclosure.

Please confirm your agreement to the foregoing by signing the form of confirmation set forth below, and returning one fully executed original of this amendment letter to us and retaining one original for your records. Upon receipt by the Association of the countersigned original of this amendment letter, this amendment letter shall become effective as of the date of the countersignature (except for the provision related to the extension of the Closing Date under paragraph (A) above, which becomes effective upon dispatch of this amendment letter).

Sincerely yours,

Stephen N. Ndegwa
Acting Country Director, Afghanistan
South Asia Region

AGREED
ISLAMIC REPUBLIC OF AFGHANISTAN

By: 

Name: 

Title: Ministry

Date: Sep 9, 2016

cc: H.E. Humayoon Rasaw, Minister of Commerce & Industries, MOCI
Dr. Mohammad Mustafa Mastoor, Deputy Minister of Finance, Ministry of Finance
Mr. Mustafa Aria, Aid Management Director, Ministry of Finance
Mr. Moheb A. Jabarkhail, Coordinator for the World Bank and ARTF Portfolio, MoF
Mr. Abdul Rahim Saeedi, ANMDP Director, Ministry of Commerce & Industries

Mr. Nasir Mahmood Khan Khosa, Executive Director for Afghanistan, the World Bank
Mr. Mohamad Hamayun Hamidzada, Advisor to the Executive Director, the World Bank