Excellency:

Re: Afghanistan Reconstruction Trust Fund Grant Agreement (TF098459)
Third Emergency National Solidarity Project
Second Letter of Amendment - Increase of Grant Amount

1. I refer to the Afghanistan Reconstruction Trust Fund Grant Agreement dated January 24, 2011 (the “Grant Agreement”) between the Islamic Republic of Afghanistan (the “Recipient”) and the International Development Association (the “Association”), in its capacity as the Administrator of the Afghanistan Reconstruction Trust Fund (the “ARTF”) for the Third National Solidarity Project (“NSP-III” or the “Project”).

2. I further refer to the proposals approved on September 13, 2011 and July 17, 2012 by the ARTF’s Management Committee, releasing the second tranche of the incremental funds for the financing of the NSP-III, in the amount of one hundred and fifty million United States Dollars (US$150,000,000).

3. I am therefore pleased to propose that the Grant Agreement be amended as follows:

4. Section 3.01 of the Grant Agreement shall be hereby amended to read:

“The Administrator agrees to extend to the Recipient, on terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to five hundred million United States Dollars (US$500,000,000) (the “Grant”) to assist in financing the Project.”

5. The table in paragraph A.2 of Section IV of Schedule 2 to the Grant Agreement shall be hereby amended to read:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (Inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, training, Block Grants and Incremental Operating Costs* for the Project</td>
<td>487,000,000</td>
<td>100% of amounts disbursed by MRRD for Block Grants, and 100% of amounts disbursed for all other Eligible Expenditures.</td>
</tr>
</tbody>
</table>
(2) Remuneration of MRRD Contractual Staff**  
11,100,000  
40%

(3) Incremental Operating Costs of MRRD***  
1,900,000  
100%

TOTAL AMOUNT  
500,000,000

11. Unless the context otherwise required, and except where otherwise defined in this letter of amendment, all capitalized terms contained herein shall have the meaning given to them in the Grant Agreement.

12. Please indicate your agreement with the terms of this letter of amendment by countersigning and dating the form of confirmation below and returning one signed original copy of this letter for our files. Upon receipt of a copy of this letter of amendment duly countersigned by an authorized representative of the Recipient, this letter of amendment shall enter into effect as of the date of countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(Acting as Administrator of the Afghanistan Reconstruction Trust Fund)

By Anthony Cholst  
Acting Country Director, Afghanistan  
South Asia Region

AGREED AND CONFIRMED:  
ISLAMIC REPUBLIC OF AFGHANISTAN

By: Authorized Representative

Name: DR. OMAR ZAKHILWAL  
Title: MINISTER OF FINANCE  
Date: Aug 29, 2012