

Mr. Nicholas George
UNOPS County Director, Afghanistan
UNOCA Compound
Jalalabad Road
Kabul, Afghanistan

Afghanistan: Afghanistan Community Resilience and Livelihoods Project
(Grant No. TF0B8537)
Amendment No. 1 to the Afghanistan Reconstruction Trust Fund Grant Agreement

Dear Mr. George:

We refer to (a) the Afghanistan Reconstruction Trust Fund Grant Agreement (the ARTF Grant Agreement), dated May 4, 2022, between the International Development Association (“Bank”), acting as administrator of the Afghanistan Reconstruction Trust Fund, and the United Nations Office for Project Services (“UNOPS” or “Recipient”) for the above-mentioned Afghanistan Community Resilience and Livelihoods Project (the Project); and (b) your letter dated April 19, 2023, requesting the Bank to make certain changes, including the changes to execution arrangements, extension of Closing Date, and modification of the selected monitoring indicators and reporting arrangements under the Project.

We are pleased to inform you that the Bank concurs with the request and accordingly amends the ARTF Grant Agreement in respect of the provisions as follows:

1. Section 3.1 in Article III is amended to read as follows:

“3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed two hundred and sixty-five million United States Dollars (\$265,000,000) (“Grant”) to assist in financing the Project.”

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

“Part 1. Emergency Livelihoods Support and Services in Rural Areas

Supporting: (a) implementation of a cash-for-work program aimed at rehabilitating small-scale basic infrastructure services and generating income opportunities for ultra-poor and vulnerable households through, *inter alia*, provision of Cash for Work Grants, and equipment and material associated therewith; and (b) the selected NGO through a Sub-Grant to deliver basic services, including vested with the responsibility to extend Cash for Work Grants to Eligible Cash for Work Grant Beneficiaries, Social Grants, and carry out activities related to capacity building of CDCs.

3. Section I.B.1 (a) of Schedule 2 is amended to read as follows:

“(a) not later than one (1) month after the Effective Date, prepare, and thereafter maintain, throughout the implementation of the Project, a manual for the implementation of the Project (“Project Operations Manual”), in form and with substance acceptable to the Bank, containing, *inter alia*, (i) detailed description of the Project activities and institutional arrangements for their implementation, including allocation of responsibilities, (ii)

monitoring, evaluation, financial, reporting, internal controls, disbursement (flow of funds), and governance procedures for the Project, including but not limited to, eligibility criteria, selection, implementation procedures, review and validation of: (x) Cash for Work Grants and Cash for Work Beneficiaries under Part 1 of the Project, and (y) Social Grants and Social Grant Beneficiaries, including Cash Transfers and Cash Transfer Beneficiaries, under Part 3 of the Project, (iii) detailed process for the selection of the NGO, terms and conditions, and rationale for the provision of Sub-Grant to the selected NGO under Part 1 (b) of the Project (iv) operational procedures and arrangements for monitoring compliance with Entry Criteria for Access; (v) agreed monitoring and reporting indicators based on the UN HMRIAR and monitoring and reporting arrangements for such indicators, and (vi) implementation of environmental and social instruments referred to in the ESCP; and”

4. In Schedule 2, a new Section I.F is added to read as follows:

“F. Sub-Grant.

1. No later than June 30, 2023, for the purpose of implementation of Part 1 (b) of the Project, the Recipient shall have selected an NGO and signed a Sub-grant Agreement with such NGO, in accordance with the eligibility criteria, procedures, and terms and conditions set forth in the POM.
2. The Recipient shall exercise its rights under the Sub-Grant Agreement in such a manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as expressly agreed by the Bank, the Recipient shall not assign, amend, abrogate or waive the Sub-Grant Agreement or any of its provisions.”

5. Section II.A is amended by: (a) renumbering paragraph “2” as paragraph “3”, and (b) inserting a new paragraph “2” to read as follows:

“2. The Recipient shall ensure that each UN HMRIAR Report is furnished to the Bank in accordance with the frequency and substance specified in the Project Operations Manual.”

6. Section IV.B.6 of Schedule 2 is revised to read as follows:

“6. The Closing Date is August 31, 2024.

7. Section I.14 of the Appendix is revised to read as follows:

“Indirect Costs” means the indirect costs incurred by the Recipient as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical output of the Project, and which is up to two (2) % of amount allocated to Category 1 of the Grant received by the Recipient.”

8. The following definition is added in the Appendix to read as follows:

“NGO” means non-governmental organization.

“Sub-Grant Agreement” means an agreement for the Sub-Grant referred to in I. F of Schedule 2 to this Agreement.

“Sub-Grant” means a grant awarded to a selected NGO by the Recipient, from the proceeds of the Grant, on account of activities to be implemented under Part 1 (b) of the Project, in accordance with the eligibility criteria, terms and conditions, and procedures set out in the POM.

“UN HMRIAR” means the UN Harmonized Monitoring and Reporting Indicators for Afghanistan Response, as may be amended by United Nations from time to time.

“UN HMRIAR Report” means the report to be furnished by the Recipient to the Bank based on the UN HMRIAR in accordance with the frequency and substance specified in the Project Operations Manual.””

9. The remaining definitions in the Appendix are renumbered accordingly with the insertions above.

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

The Bank shall disclose this letter and related information in accordance with the World Bank’s Policy on Access to Information. By agreeing to this letter, the Recipient consents to the disclosure of this letter and related information.

Please confirm the agreement of the Recipient to the amendment set out above by countersigning and dating both copies of this amendment letter and returning one countersigned copy to us. Upon receipt by the Bank of the copy of this amendment letter duly countersigned by the authorized representative of the Recipient, said amendment shall become effective as of the date of countersignature of this amendment letter.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

Melinda Good
By: _____
Melinda Good
Country Director
Afghanistan

AGREED:

UNITED NATIONS OFFICE FOR PROJECT SERVICES
(for the benefit of Afghanistan)

By: *N. George*
Authorized Representative

Name: Nicholas George

Title: Country Director and Representative

Date: 06-Jun-2023

Revised Disbursement Table as part of Section IV.A.1 of Schedule 2 of the ARTF Grant Agreement

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Cash for Work Grants, Social Grants, Sub-Grant, Training, Operating Costs under the Project	259,800,000	100%
(2) Indirect Costs (2%) under Part 5 of the Project	5,200,000	100%
TOTAL AMOUNT	265,000,000	