His Excellency  
Mr. Ivan Acosta  
Minister of Finance and Public Credit  
Ministry of Finance and Public Credit  
Managua, Nicaragua

Re: NICARAGUA- Grant No. TF015143. Education Sector Strategy Support Project.  
Amendment No. 1 to the Grant Agreement

Excellency:

Please refer to the Grant Agreement (the Grant Agreement), dated September 17, 2013 between the Republic of Nicaragua (the Recipient) and the International Development Association (the Association) acting as administrator of the Nicaragua Education Sector Strategy Multi-Donor Trust Fund (the Trust Fund) for the above referenced Project. Please note that capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Grant Agreement.

The Association has received the letter No. MHCP-DM-E-0882-02-16 dated February 17, 2016, requesting the amendment of the Grant Agreement for the purpose of: (a) extending the Closing Date from February 28, 2016 to August 5, 2017; and (b) modifying a few of the current staffing arrangements of the Project.

We are pleased to inform you that pursuant to the letter of request, the Association hereby agrees to amend the Grant Agreement as follows:

1. Section I.A.2. of Schedule 2 to the Grant Agreement is hereby amended to read as follows:

   "Not later than 30 days after the Effective Date, appoint and, thereafter, maintain, at all times during Project implementation, competent personnel required for Project implementation, in adequate numbers and with sufficient resources, including, but not limited to, a procurement coordinator, financial management coordinator, two procurement specialists, a senior international procurement advisor, two financial management specialists, six procurement management specialists, and one social safeguards specialist, all with terms of reference, qualifications and experience acceptable to the Association, as further detailed in the Operational Manual."

2. The Closing Date referred to in Section IV.B.2. of Schedule 2 to the Grant Agreement is extended from February 28, 2016 to August 5, 2017.
3. In addition, as you are aware, as per the loss in the Euro-Dollar exchange rate, there is a funding shortfall in the amount available to the Association from the Trust Fund provided to it by the Donor in Dollar equivalent for the purposes of the Grant.

In view of the foregoing, and in accordance with the provisions of Section 3.02 of the Standard Conditions for Grants Made by the World Bank out of various Funds applicable to the Grant Agreement, the Association hereby cancels, as of the date of this Amendment Letter, an amount of the Grant equal to two million sixty three thousand nine hundred ninety-four United States Dollars (USD 2,063,994). As of the date of this Amendment Letter, the total Grant amount has been revised to USD 31,322,614.

The withdrawal table set forth in Section IV.A.2 of Schedule 2 to the Grant Agreement has been revised accordingly and the revised withdrawal table is attached to this Amendment Letter.

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

Please confirm your agreement with the foregoing amendment by signing, dating and returning to us the enclosed copy of this Amendment Letter. This Amendment Letter will be executed in two counterparts, each of which shall be an original. The provisions of this Amendment Letter will become effective upon the receipt by the Association of a countersigned original of the Amendment Letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

J. Humberto Lopez
Director
Central America
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF NICARAGUA

By: (Authoritative Representative)

Name: Ivan Acosta Montalván

Title: Ministro

Date: 26 febrero 2016
## Revised Withdrawal Table

<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) Works, goods, non-consulting Services, consultant’s services, Operating Costs and Training for Parts 2 and 4 of the Project</td>
<td>31,322,614</td>
<td>100%</td>
</tr>
<tr>
<td>Cancellation as of February XX, 2016</td>
<td>2,063,994</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>33,386,608</td>
<td></td>
</tr>
</tbody>
</table>