March 5, 2013

Mr. Ivan Acosta Montalván
Minister of Finance and Public Credit
Ministry of Finance and Public Credit
Av. Bolivar, in front of the National Assembly
4th Floor, MHCP Building
Managua, Republic of Nicaragua

Excellency:

Re: Nicaragua Project Preparation Advance for Proposed Second Land Administration Project
Project Preparation Advance N° Q8340
Additional Instructions: AMENDED Disbursement Letter

I refer to the Advance Agreement ("Agreement") between the Republic of Nicaragua ("Recipient") and the International Development Association (the "World Bank") for the preparation of the above-referenced Project, dated October 2, 2012. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Preparation Advance N° Q8340 ("PPA"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This letter is the First Restatement of the Disbursement Letter dated October 2, 2012, for the above referenced project, restating Section II (vi) to increase DA Ceiling from US$250,000 to US$550,000. These restatements are consistent with the Recipient’s request dated February 8, 2013. All other provisions and attachments of the Disbursement Letter dated October 2, 2012, except as amended, shall remain in force and effect.

The World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines"), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Financing:
- Reimbursement
- Advance
- Direct Payment
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is the Refinancing Date specified in the Agreement. Any change to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Condition in Section 3.02 of the Annex to the Agreement.

II. Withdrawal of PPA Proceeds

(i) Authorized Signatures (subsection 3.1).
An authorized signatory letter should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
Attention: C. Felipe Jaramillo, Director, Central America, Latin America and the Caribbean Region

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents to the address indicated below:

Banco Mundial
Setor Comercial Norte
Quadra 02, Lote A
Edificio Corporate Financial Center
7° andar
70712-900, Brasília, D.F.
Brazíl
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and
may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

**(iv) Terms and Conditions of Use of Tokens to Process Applications.** By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Tokens") provided in Attachment [3]; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

**(v) Minimum Value of Applications (subsection 3.5).** The Minimum Value of Applications for Direct Payments and reimbursements are USD$75,000.

**(vi) Advances (sections 5 and 6)** the Secretaria Ejecutiva PRODEP (SE-PRODEP)

- **Type of Designated Account[s] (subsection 5.3):** Segregated

- **Currency of Designated Account[s] (subsection 5.4):** US Dollars

- **Financial Institution at which the Designated Account[s] Will Be Opened (subsection 5.5):** Central Bank of Nicaragua

- **Ceiling (subsection 6.1):** USD$ 550,000.00

III. Reporting on Use of Financing Proceeds

**(i) Supporting Documentation (section 4).** Supporting documentation should be provided with each application for withdrawal as set out below:

- **For requests for Reimbursement:**
  
  - Summary Sheets with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for Goods, Non-Consultant Services, Consultant Services, Training and Workshops And Operating Costs in excess of US$75,000;
  
  - Statements of Expenditures for all other goods, services, training and workshops, and operating costs; and,
  
  - List of Payments for Contracts subject to the World Bank’s Prior Review.

- **For reporting eligible expenditures paid from the Designated Account:**
  
  - Summary Sheets with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments for Goods, Non-Consultant Services,
Consultant Services, Training and Workshops And Operating Costs in excess of US$75,000;

- Statements of Expenditures for all other goods, services, training and workshops, and operating costs; and,

- List of Payments for Contracts subject to the World Bank’s Prior Review.

- Designated Account activity statement with a copy of the corresponding bank statement.

• For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly

IV. Other Important Information


From the Client Connection website, you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Financing, and retrieve related policy, financial, and procurement information.

If you have any queries in relation to the above, please contact the World Bank Loan Department by sending an email to loa-lcr@worldbank.org and naming the project and loan number in the subject line.

Yours sincerely,

[Signature]

Patricia Hoyes
Sr. Finance Officer
World Bank Loan Department
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procuradoria@pgr.gob.ni
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