February 10, 2014

Mr. Iván Acosta Montalván
Minister of Finance
Ministry of Finance and Public Credit
Managua, Nicaragua

Re: Sustainable Rural Water Supply and Sanitation Sector Project
Negotiated draft Financing Agreement

Dear Mr. Acosta:

This letter is in reference to the Minutes of Negotiations signed on Friday, January 17, 2014 and your letter MHCP-DM-E-0232-01-14 dated January 20, 2014 confirming your agreement with the negotiated draft Financing Agreement dated January 16, 2014.

In this regard, we would like to request your concurrence to a revised version of the draft Financing Agreement dated as of the same date January 16, 2014 in which the Association proposes to revise Section 1.E.3 of Schedule 2, to read as follows:

“3. The Recipient shall cause FISE to carry out Alto Wangki y Bokay Investments with the participation of the Eligible Communities, all in accordance with the implementation procedures set forth in the Operational Manual.”

Prior to the revision, the section stated “FISE shall carry out Alto Wangki y Bokay Investments [...]”. While the revision does not have any impact on the intent of the parties during negotiations, the Association believes the revision provides clarity on the party assuming the obligation, which is the Recipient, since FISE is not a party to the Financing Agreement.

If you agree, the change would be made as of the date of negotiations, and this letter would constitute a supplement to the Minutes of Negotiations.

The revised version of the Financing Agreement is enclosed as Attachment 1 to this letter.
Please confirm your agreement by countersigning, dating, and returning a copy of this letter to us.

Sincerely,

Lilian Peña P. Weiss
Task Team Leader
Water and Sanitation Department
Latin America and the Caribbean

AGREED:

Mr. Iván Acosta Montesín
Minister of Finance
Republic of Nicaragua

Date: 12-02-2014