December 2, 2014

His Excellency
Dr. Iván Acosta
Minister of Finance and Public Credit
Ministry of Finance and Public Credit
Frente al Edificio de la Asamblea Nacional
Managua, Nicaragua

RE: Additional Financing for Rural Telecommunications Project
Credit Number 5130-NI
Amendment to Financing Agreement

Excellency:

We refer to the Financing Agreement between the Republic of Nicaragua (the Recipient) and the International Development Association (the Association) dated July 11, 2012 (the Financing Agreement) for the Additional Financing for Rural Telecommunications Project (the Project).

We also refer to your letter No. MHCP-DM-E-0390-10-14, dated October 30, 2014, whereby the Recipient requests certain amendments to the Financing Agreement, including a three month extension of the Closing Date thereof. We are pleased to inform you that the Association concurs with the request, and accordingly amends the Financing Agreement as set forth below:

I. Part 2 of Schedule 1 is hereby amended to cancel Parts 2.A.1., 2.A.2. and 2.B. and to read as follows:

"Part 2: Institutional Strengthening of Sector Regulator and Technical Assistance to Communities

A. Provision of technical assistance to TELCOR to support its restructuring and in the areas of competition, interconnection, price regulation, resolution of disputes, consumer rights and complaints, accounting for costs and new trends of regulation, including, though the provision of technical assistance to carry out feasibility studies for additional universal services projects, including the preparation of bidding documents therefore."
B. Provision of internet applications and technical assistance to users of the POPs in the Recipient's rural communities and the areas referred to in Part 1.A of the Project.”

2. The Closing Date referred to in Section IV.B.2 to Schedule 2 to the Financing Agreement is extended to June 30, 2015.

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

Please indicate your agreement with the foregoing amendments to the Financing Agreement on behalf of the Recipient by countersigning and dating two original copies of this letter and returning one countersigned original to us. The amendments to the Financing Agreement shall become effective as of the date of countersignature of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

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

AGREED:

REPUBLIC OF NICARAGUA

[Signature]
 Authorized Representative

Name: Iván Acosta Montalvo
Title: Ministerio de Hacienda
Date: 16 de diciembre de 2014
Cc. Mr Jose A. Rojas, Executive Director, The World Bank
Mr. Luis Constantino, Country Manager, The World Bank.