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

Re: NICARAGUA- Grant No. TF015143
Education Sector Strategy Support Project
Amendment No. 2 to the Grant Agreement

Excellency:

Please refer to the Grant Agreement (the Grant Agreement), dated September 17, 2013, as amended to date, between the Republic of Nicaragua (the Recipient) and the International Development Association (the World Bank) 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.

As you are aware, per the variations in the Euro-Dollar exchange rate, in February of 2016, the original Grant amount of thirty-three million three hundred eighty-six thousand six hundred and eight Dollars (USD 33,386,608) was reduced to thirty-one million three hundred twenty-two thousand six hundred fourteen Dollars (USD 31,322,614) through an amendment which included a cancellation in the amount of two million sixty-three thousand nine hundred ninety-four Dollars (USD 2,063,994).

More recently, also due to variations in the Euro-Dollar exchange rate, there has been an increase in the amount available to the World Bank from the Trust Fund provided to it by the Donors 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 World Bank hereby increases the total amount of the Grant (after the cancellation referred to above), as of the date of this Amendment Letter, by an amount equal to one million three hundred sixty-five thousand six hundred and fifteen Dollars and seventeen cents (USD 1,365,655.17). Therefore, as of the date of this Amendment Letter, the total Grant amount has been revised to thirty-two million six hundred eighty-eight thousand two hundred sixty-nine Dollars and seventeen cents (USD 32,688,269.17).

Section 3.01 of Article III (“The Grant”) of the Grant Agreement now reads as per the paragraph below and the withdrawal table set forth in Section IV.A.2 of Schedule 2 to the Grant Agreement has been revised accordingly as per the attachment to this Amendment Letter.

“3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to thirty-two million six hundred eighty-eight thousand two hundred sixty-nine Dollars and seventeen cents (USD 32,688,269.17).”

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 as of the date first above-written, upon the receipt by the World Bank of a countersigned original of the Amendment Letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Christian Albert Peter
Acting Director
Central America
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF NICARAGUA

By: ____________________________ (Authorized Representative)

Name: Ivan Acosta
Title: Ministro de Hacienda
Date: 06 de Octubre 2019.
### 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,</td>
<td>32,688,269.17</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs and Training for Parts 2 and 4 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cancellation as of February, 2016</td>
<td>2,063,994</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT INCLUDING CANCELED AMOUNT</strong></td>
<td><strong>34,752,263.17</strong></td>
<td></td>
</tr>
<tr>
<td><strong>FINAL GRANT AMOUNT MADE AVAILABLE TO THE RECIPIENT</strong></td>
<td><strong>32,688,269.17</strong></td>
<td></td>
</tr>
</tbody>
</table>

* The final Grant amount made available to the Recipient reflects: (i) the original Grant amount of USD 33,386,608; (ii) minus the cancellation made as of February, 2016 in the amount of USD 2,063,994; (iii) plus the additional funds provided through this Amendment Letter in the amount of USD 1,365,655.17.