

Y. SEYNABOU SAKHO  
Country Director  
Latin America and the Caribbean Region

June 26, 2020

Mrs. Fanny Sumaya Castillo Lara  
Minister  
Ministry of Environment and Natural Resources  
Km 12.5 North Highway, in front of the Duty-Free Zone  
Managua  
Nicaragua

**Re: Third Amendment to the Letter of Intent between the International Bank for Reconstruction and Development, acting as the trustee of the Carbon Fund of the Forest Carbon Partnership Facility, and the Republic of Nicaragua dated April 6, 2018 with respect to the “REDD+ Program to Combat Climate Change and Poverty in Nicaragua”**

Excellency:

We refer to the Letter of Intent between the International Bank for Reconstruction and Development (“**IBRD**”) acting as the trustee (“**Trustee**”) of the Carbon Fund of the Forest Carbon Partnership Facility (“**Carbon Fund**”) and the Republic of Nicaragua (“**Program Entity**”) and together referred to as “**Parties**”) dated April 6, 2018 (“**Letter of Intent**”), as amended on April 26, 2019 and December 27, 2019, with respect to the “**REDD+ Program to Combat Climate Change and Poverty in Nicaragua.**” Capitalized terms used in this amendment letter shall have the same meaning ascribed to them in the Letter of Intent.

1. The Parties agree to herewith amend the Letter of Intent as follows:
  - (a) The Exclusivity Period specified in Section 3.1 of the Letter of Intent shall be extended from fifteen (15) months to thirty-one (31) months and twenty-four (24) days until November 30, 2020.
  - (b) Section 3.3 of the Letter of Intent shall be deleted in its entirety and replaced as follows:

**“3.3 The Parties agree that, following the submission of the ER Program Document to the Carbon Fund of the FCPF and provided that the Carbon Fund of the FCPF decides to proceed with ERPA negotiations (“ERPA Negotiation Start Date”), the Parties will use all reasonable endeavors**

to negotiate and execute an ERPA in good faith and on the basis of the terms of this Letter of Intent, within the remaining part of the Exclusivity Period (i.e. the period from the ERPA Negotiation Start Date to the end of the Exclusivity Period). In the event that the remaining part of the Exclusivity Period is less than ten (10) months ("ERPA Negotiation Period"), the Exclusivity Period shall extend to the end of the ERPA Negotiation Period, but in any case, no later than December 31, 2020."

- (c) Section 7.2 of the Letter of Intent shall be deleted in its entirety and replaced as follows:

"7.2 If the ERPA Negotiation Period has not started within twenty-eight (28) months and twenty-two (22) days from the date of this Letter of Intent (August 30, 2020), the Trustee may, at its sole and absolute discretion, either terminate this Letter of Intent and the understandings it provides or extend the deadline provided in this Clause 7.2."

2. In the event that the participants of the Carbon Fund have not approved the proposed extension of the Exclusivity Period by July 31, 2020, this amendment letter shall be deemed null and void and the Letter of Intent shall terminate with immediate effect. In the event that the participants of the Carbon Fund only approve an extension of the Exclusivity Period that is shorter than the extension provided for above in paragraph 1.(a), the Parties shall further amend the Letter of Intent to reflect such approved shorter extension period. The Trustee shall promptly notify the Program Entity of the corresponding decision made by the participants of the Carbon Fund.
3. Unless expressly provided for otherwise in this amendment letter, all other provisions of the Letter of Intent shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing amendment letter by countersigning the received copies in the spaces provided below and return it to me in care of the Carbon Finance Unit, MC-3-309, the World Bank, 1818 H Street, Washington D.C. 20433, U.S.A. Following your countersignature, the provisions of this amendment letter shall become effective on the date of this letter.

Sincerely



Y. Seynabou Sakho  
Director  
Central America  
Latin America and the Caribbean Region

**AGREED AND CONFIRMED:**

**On behalf of the Republic of Nicaragua, represented by the Ministry of Environment and Natural Resources:**

  
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(Authorized Signatory)



Name: Fanny Sumaya Castillo Lara  
Title: Minister

