

No. 8465

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
NICARAGUA**

**Guarantee Agreement—*Sixth Power Project* (with annexed
Loan Regulations No. 4 and Loan Agreement between
the Bank and the Empresa Nacional de Luz y Fuerza).
Signed at Washington, on 5 October 1966**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
14 December 1966.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
NICARAGUA**

**Contrat de garantie — *Sixième projet relatif à l'énergie élec-
trique* (avec, en annexe, le Règlement n° 4 sur les em-
prunts et le Contrat d'emprunt entre la Banque et la
Empresa Nacional de Luz y Fuerza). Signé à Washing-
ton, le 5 octobre 1966**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 14 décembre 1966.*

No. 8465. GUARANTEE AGREEMENT¹ (*SIXTH POWER PROJECT*) BETWEEN THE REPUBLIC OF NICARAGUA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 5 OCTOBER 1966

AGREEMENT, dated October 5, 1966, between REPUBLIC OF NICARAGUA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Empresa Nacional de Luz y Fuerza (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,² subject, however, to the modifications thereof set forth in Section 1.01 of the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby uncon-

¹ Came into force on 25 October 1966, upon notification by the Bank to the Government of Nicaragua.

² See p. 240 of this volume.

ditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Project, the Guarantor undertakes to make arrangements or cause arrangements to be made to enable the Borrower promptly to be provided with such funds as are needed to meet such expenditures.

Section 2.03. Any funds supplied to the Borrower by the Guarantor pursuant to Section 2.02 or otherwise shall be provided under terms and conditions whereby repayment of principal and payment of interest and other charges, if required by the Guarantor, shall be met from surplus funds available to the Borrower only after meeting all obligations of the Borrower, including the obligations arising from the carrying out of the Project, the operation, maintenance and expansion of the plants, equipment and property of the Borrower, the building up of an adequate reserve fund, and the maintenance of service on the Loan and on any other long-term debt.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section : (a) the term “ assets of the Guarantor ” includes assets of the Guarantor or of any of its political subdivisions or of any Agency including the Banco Central de Nicaragua, and (b) the term “ Agency ” means any agency or instrumentality of the Guarantor or of any political subdivision of the Guarantor and shall include any institution or organization which is owned or controlled directly or indirectly by the Guarantor or by any political subdivision

of the Guarantor or the operations of which are conducted primarily in the interest of or for account of the Guarantor or any political subdivision of the Guarantor.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

Section 3.06. The Guarantor covenants that it will not take or permit any of its political subdivisions or any of its agencies or any agency of any political subdivision to take any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, and will take or cause to be taken all

reasonable action (including action with respect to prompt payment to the Borrower of monies due to the Borrower for electricity supplied by it) which shall be necessary in order to enable the Borrower to perform such covenants, agreements and obligations.

Section 3.07. Except as the Guarantor and the Bank shall otherwise agree, the Guarantor shall from time to time take or cause to be taken all governmental action necessary to set and maintain rates for the sale of electricity by the Borrower at such levels as shall be necessary to provide revenues sufficient (a) to cover all the operating costs of the Borrower, including taxes, adequate maintenance and depreciation, and interest; (b) to meet amortization of the Borrower's long-term debt insofar as this is not covered by provision for depreciation; and (c) to create a surplus sufficient to cover a reasonable part of the costs of further expansion of the Borrower's facilities.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The *Ministro de Hacienda y Crédito Público* of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

República de Nicaragua
Ministerio de Hacienda y Crédito Público
Palacio Nacional
Managua, Nicaragua

Alternative address for cablegrams and radiograms :

Hacienda
Managua, Nicaragua

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. The *Ministro de Hacienda y Crédito Público* of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Nicaragua :
By Guillermo SEVILLA SACASA
Authorized Representative

International Bank for Reconstruction and Development :
By J. Burke KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER
THAN MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT
(*SIXTH POWER PROJECT*)

AGREEMENT, dated October 5, 1966, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and EMPRESA NACIONAL DE LUZ Y FUERZA (hereinafter called the Borrower).

Article I

LOAN REGULATIONS; SPECIAL DEFINITION

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,¹ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations):

¹ See above.

Section 9.04 is deleted and the following new section is substituted therefor :

“SECTION 9.04. *Termination of Guarantee Agreement¹ upon Termination of Loan Agreement.* If, in accordance with the provisions thereof, the Loan Agreement shall be terminated for failure to become effective, the Guarantee Agreement and all obligations of the parties thereunder shall also terminate. The Bank shall promptly give notice of such termination to the Guarantor.”

Section 1.02. The term *Ley Constitutiva* means the *Ley Constitutiva de la Empresa Nacional de Luz y Fuerza*, dated October 14, 1954, including the amendment dated October 21, 1963.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to five million dollars (\$5,000,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time from the Loan Account.

Section 2.04. The Borrower shall pay interest at the rate of six per cent (6%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on April 1 and October 1 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to

¹ See p. 232 of this volume.

this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

Section 3.02. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of the Guarantor and there to be used exclusively in the carrying out of the Project.

Article II

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The General Manager (*Gerente General*) of the Borrower acting jointly with such person or persons as the Borrower shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, financial and public utility practices.

(b) In the carrying out of the Project, the Borrower shall employ qualified and experienced engineering consultants acceptable to the Bank, on terms and conditions satisfactory to the Bank.

(c) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(d) Except as the Bank and the Borrower shall otherwise agree, all works included in the Project shall be constructed by contractors acceptable to the Bank and the Borrower, under contracts satisfactory to the Bank.

Section 5.02. (a) The Bank and the Borrower shall co-operate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and any other matters relating to the purposes of the Loan.

(b) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

(c) The Borrower undertakes that, if any action shall be proposed to be taken for a change in the Borrower's rate structure for the sale of electricity resulting in a change in the level of revenues of the Borrower, the Borrower shall inform the Bank of such proposal and, before the proposed action is taken, shall afford the Bank all opportunity which is reasonably practicable in the circumstances to exchange views with respect thereto.

Section 5.03. The Borrower shall at all times maintain its existence and right to carry on its operations and shall, except as the Bank shall otherwise agree, take all necessary steps that are required to acquire, maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business.

Section 5.04. The Borrower shall at all times operate and maintain its plants, equipment and property, and from time to time make all necessary repairs or renewals thereof, in accordance with sound engineering and public utility practices.

Section 5.05. The Borrower shall at all times manage its affairs, carry on its operations and maintain its financial position in accordance with sound business and public utility practices.

Section 5.06. The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Bank for insurance against such risks and in such amount as shall be consistent with sound practice. Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

Section 5.07. The Borrower shall not, without the consent of the Bank, sell or otherwise dispose of all or substantially all of its property and assets or all or substantially all the property included in the Project or any plant the cost of which is financed in whole or in part out of the proceeds of the Loan.

Section 5.08. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur any long-term debt if, after such incurrence, the aggregate long-term debt of the Borrower would exceed two times the equity of the Borrower existing on the date of such incurrence.

For the purposes of this Section :

(a) The term " long-term debt " shall mean any debt maturing more than one year after the date on which it is originally incurred. Whenever it shall be necessary to value in currency of the Guarantor debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency is obtain-

able by the Borrower, at the time such valuation is made for the purposes of servicing such debt or, if such currency is not so obtainable, at the rate of exchange that will be reasonably determined by the Bank;

(b) the term "equity" shall include paid-in capital and surplus determined in accordance with sound accounting practices; it shall also include such advances made by the Guarantor to the Borrower as are to be serviced from surplus funds available to the Borrower only after meeting all obligations of the Borrower, including the obligations arising from the carrying out of the Project, the operation, maintenance and expansion of the plants, equipment and property of the Borrower, the building up of an adequate reserve fund, and the maintenance of service on the Loan and on any other long-term debt;

(c) debt shall be deemed to be incurred on the date of execution and delivery of the contract or loan agreement providing for such debt.

Section 5.09. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

Section 5.10. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall from time to time take all steps required on its part to obtain such adjustments in its rates for the sale of electricity as shall be necessary to provide revenues sufficient: (a) to cover all its operating costs including taxes, adequate maintenance and depreciation, and interest; (b) to meet amortization of longterm debt insofar as this is not covered by provision for depreciation; and (c) to create a surplus sufficient to cover a reasonable part of the costs of further expansion of its facilities.

Section 5.11. The Borrower shall have its accounts regularly audited and its annual financial statements certified by independent auditors acceptable to the Bank.

Section 5.12. The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall submit annually to the Bank the certified financial statements of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods, all other plants, equipment and property of the Borrower, and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the administration, operations and financial conditions of the Borrower.

Section 5.13. The Borrower shall pay or cause to be paid all taxes; if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.14. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations or in Section 6.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. For the purposes of Section 5.02 of the Loan Regulations, the following additional event is specified, namely, a change in the *Ley Constitutiva* of the Borrower shall have been made without the Bank's consent.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be February 28, 1969, or such other date as may from time to time be agreed between the Bank and the Borrower.

Section 7.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Empresa Nacional de Luz y Fuerza
Managua, Nicaragua

Alternative address for cablegrams and radiograms :

Enaluf
Managua, Nicaragua

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 7.03. If this Loan Agreement shall not have come into force and effect by December 5, 1966, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay establishes a later date for the purposes of this Section. The Bank shall promptly inform the Borrower of such date.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

Empresa Nacional de Luz y Fuerza :

By Gustavo RASKOSKY
By Eduardo MONTIEL ARGUELLO
Authorized Representatives

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
April 1, 1969	\$80,000	April 1, 1978	\$140,000
October 1, 1969	85,000	October 1, 1978	145,000
April 1, 1970	90,000	April 1, 1979	150,000
October 1, 1970	90,000	October 1, 1979	155,000
April 1, 1971	95,000	April 1, 1980	160,000
October 1, 1971	95,000	October 1, 1980	165,000
April 1, 1972	100,000	April 1, 1981	170,000
October 1, 1972	100,000	October 1, 1981	175,000
April 1, 1973	105,000	April 1, 1982	180,000
October 1, 1973	110,000	October 1, 1982	185,000
April 1, 1974	110,000	April 1, 1983	190,000
October 1, 1974	115,000	October 1, 1983	195,000
April 1, 1975	115,000	April 1, 1984	200,000
October 1, 1975	120,000	October 1, 1984	205,000
April 1, 1976	125,000	April 1, 1985	210,000
October 1, 1976	130,000	October 1, 1985	220,000
April 1, 1977	135,000	April 1, 1986	220,000
October 1, 1977	135,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1/2%
More than three years but not more than six years before maturity	1 1/2%
More than six years but not more than eleven years before maturity	2 1/2%
More than eleven years but not more than sixteen years before maturity	3 1/2%
More than sixteen years but not more than eighteen years before maturity	5%
More than eighteen years before maturity	6%

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of :

I. The installation at Chinandega of a 15,000 kw gas turbine powered generating set.

II. (a) The construction of transmission lines at 138 kv between Sebaco and León and between Managua and Tipitapa and transmission lines at 69 kv between Managua and Asososca and between Chinandega and Corinto, including the procurement of line construction and maintenance equipment.

(b) The installation of new suitable substations and the modification of existing substations at the line terminals and the strengthening of distribution lines.

III. The construction of a new headquarters building.

IV. Engineering and management services.

The Project is expected to be completed by the end of 1968.
