

No. 8460

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

**Guarantee Agreement—*Puerto Cortés Project* (with annexed Loan Regulations No. 4 and Loan Agreement between the Bank and the Empresa Nacional Portuaria). Signed at Washington, on 25 August 1966**

*Official text: English.*

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

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

**Contrat de garantie — *Projet relatif à Puerto Cortés* (avec, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et l'Empresa Nacional Portuaria). Signé à Washington, le 25 août 1966**

*Texte officiel anglais.*

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

No. 8460. GUARANTEE AGREEMENT<sup>1</sup> (*PUERTO CORTÉS PROJECT*) BETWEEN THE REPUBLIC OF HONDURAS AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 25 AUGUST 1966

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AGREEMENT, dated August 25, 1966, between REPUBLIC OF HONDURAS (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 Portuaria (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to four million eight hundred thousand dollars (\$4,800,000), 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 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,<sup>2</sup> 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 Guarantee Agreement contained, the Guarantor

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<sup>1</sup> Came into force on 7 November 1966, upon notification by the Bank to the Government of Honduras.

<sup>2</sup> See p. 88 of this volume.

hereby unconditionally 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.* Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, 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, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

### *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; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term “ assets of the Guarantor ” as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or any of its political subdivisions, including the assets of Banco Central de Honduras and any other institution performing the functions of a central bank for 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 the administration, operations and financial condition of the Borrower and other 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 Guarantee 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 undertakes that as from January 1, 1967 :

(a) payment of all port charges imposed by the Borrower for services rendered to the Guarantor or any of its agencies shall be made currently when the services are rendered; and

(b) if any user shall be exempted under any law of, or contract, agreement or treaty entered into by, the Guarantor from payment of port charges imposed by the Borrower for services rendered to such user, the Guarantor shall promptly reimburse the Borrower for the amount which but for such exemption would have been payable to the Borrower for such services.

*Section 3.07.* The Guarantor shall promptly take all steps required on its part under its laws on expropriation of land for purposes of public utility in order to acquire and transfer to the Borrower, not later than March 31, 1967, the ownership of all land not otherwise acquired by the Borrower which shall be required for the facilities included in the Project.

*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 Economía y Hacienda* 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 :

Ministerio de Economía y Hacienda  
Tegucigalpa  
Honduras

Alternative address for cablegrams and radiograms :

Ministerio de Economía y Hacienda  
Tegucigalpa

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 Economía y Hacienda* of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

*Section 5.03.* If the Loan Agreement terminates for failure to become effective pursuant to Section 7.02 thereof, this Guarantee Agreement and all the obligations of the parties hereunder shall also terminate. The Bank shall promptly give notice of such termination to the Guarantor.

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 Honduras :

By R. MIDENCE  
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

#### (PUERTO CORTÉS PROJECT)

AGREEMENT, dated August 25, 1966, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and EMPRESA NACIONAL PORTUARIA (hereinafter called the Borrower), a public corporation established pursuant to Decree No. 40 of the Republic of Honduras, published on December 1, 1965.

#### Article I

#### LOAN REGULATIONS

*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,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations) : Section 9.04 is deleted.

#### Article II

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to four million eight hundred thousand dollars (\$4,800,000).

<sup>1</sup> See above.

*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, this 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 so withdrawn from time to time.

*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 June 1 and December 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 this Loan 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 used exclusively in the carrying out of the Project.

### *Article IV*

#### 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 *Gerente* of the Borrower is designated as the authorized representative 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 and financial practices.

(b) In the carrying out of the Project the Borrower shall employ (i) competent and experienced engineering consultants, (ii) competent and experienced operations consultants, and (iii) competent and experienced contractors. Such consultants and contractors and the terms and conditions of their employment shall be acceptable to the Bank and the Borrower.

(c) The Borrower shall also employ competent and experienced consultants acceptable to the Bank and the Borrower to conduct the studies described in item 7 of Schedule 2 to this Agreement. The scope of the studies to be conducted by such consultants and the terms and conditions of their employment shall be determined by agreement between the Bank and the Borrower.

(d) Upon request by the Bank, the Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the plans and specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time specify.

*Section 5.02.* The Borrower shall at all times conduct its business and carry on its operations in accordance with sound financial, engineering and port practices and to that end shall employ such management with such qualifications and experience as shall be required by the nature and size of its undertaking.

*Section 5.03.* The Borrower shall maintain or cause to be maintained 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 furnish annually to the Bank the certified financial statements of the Borrower; and shall enable the Bank's representatives to inspect the Project, the goods and all other plants, sites, works, property and equipment of the Borrower and any relevant records and documents.

*Section 5.04.* (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 performance by the Borrower of its obligations under this Loan Agreement, the administration, operations and financial condition of the Borrower and other matters relating to the purposes of the Loan.

(b) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods, the Project, and the administration, operations and financial condition of the Borrower.



(c) 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 other obligations under this Loan Agreement.

*Section 5.05.* 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 its date.

*Section 5.06.* 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 Loan Agreement, the Guarantee Agreement<sup>1</sup> 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 5.07.* 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 Loan Agreement, the Guarantee Agreement or the Bonds.

*Section 5.08.* Except as the Bank and the Borrower shall otherwise agree:

(a) 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.

(b) 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 5.09.* (a) The Borrower shall promptly take all steps required to obtain, maintain and renew all powers, rights, privileges and franchises which are necessary or useful for the construction of the Project or the carrying out of the Borrower's business.

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<sup>1</sup> See p. 80 of this volume.

(b) The Borrower shall promptly take all steps required on its part under the Guarantor's laws on expropriation of land for purposes of public utility in order to acquire, not later than March 31, 1967, the ownership of all land not otherwise acquired by the Borrower which shall be required for the facilities included in the Project.

(c) Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not award any contract for the construction of facilities included in the Project until it shall fully own all land required for such facilities.

*Section 5.10.* The Borrower shall operate and maintain its installations, equipment and other property, and from time to time make all necessary renewals and repairs thereof, in accordance with sound engineering and port practices.

*Section 5.11.* The Borrower shall not, without the prior consent of the Bank, sell or otherwise dispose of any of its assets except in the ordinary course of its business.

*Section 5.12.* The Borrower shall have its accounts regularly audited and its annual financial statements certified by independent auditors acceptable to the Bank.

*Section 5.13.* (a) Until the completion of the physical facilities included in the Project, the Borrower shall not (i) undertake the administration or operation of any port facilities other than Puerto Cortés or (ii) incur any major capital expenditures other than for the Project unless the Guarantor, the Bank and the Borrower shall agree that the Borrower has the administrative and financial capacity required to carry out such undertaking or expenditure without prejudice to the efficient carrying out of the Project.

(b) Thereafter, if the Borrower shall propose to take any action specified in paragraph (a) hereof, it shall promptly inform the Bank of such proposal and afford the Bank a reasonable opportunity to exchange views with the Borrower thereon before the proposed action is taken.

*Section 5.14.* (a) Until the completion of the physical facilities included in the Project, the Borrower shall not, without the prior consent of the Bank, incur any debt maturing by its terms more than one year after the date on which it is originally incurred.

(b) Thereafter, if the Borrower shall propose to incur any such debt it shall promptly inform the Bank of such proposal and afford the Bank a reasonable opportunity to exchange views with the Borrower thereon before the proposed debt is incurred.

*Section 5.15.* The Borrower shall establish and maintain charges for its services designed to produce revenues sufficient (a) to cover all operating expenses, including administrative expenses and adequate maintenance and depreciation, and (b) to enable the Borrower, out of internally generated resources, (i) to meet debt interest and amortization, (ii) to have adequate working capital, (iii) to establish and maintain liquid reserves adequate to meet contingencies, and (iv) to finance a reasonable portion of the cost of the Borrower's capital investment program, including replacement of assets.

*Article VI*

## REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e), paragraph (f) of Section 5.02 of the Loan Regulations or in paragraph (b) of Section 6.02 of this Loan Agreement 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 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 such declaration such principal shall become due and payable immediately, anything in this Loan Agreement or in the Bonds to the contrary notwithstanding.

*Section 6.02.* For the purposes of Section 5.02 (j) of the Loan Regulations, the following additional events are specified :

(a) Failure by the Borrower to fulfill an obligation to make payment of principal or interest or any other payment required under this Loan Agreement or any other loan agreement between the Borrower and the Bank or under any bond delivered pursuant to any such agreement even though such payment has been made by other persons;

(b) Any amendment of Decree No. 40 of the Guarantor published on December 1, 1965, establishing the Borrower, shall have become effective.

*Article VII*

## EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Loan Agreement and the Guarantee Agreement within the meaning of Section 9.01 (c) of the Loan Regulations :

the Borrower has engaged operations consultants in accordance with the provisions of Section 5.01 (b) of this Loan Agreement.

*Section 7.02.* If this Loan Agreement shall not have come into force and effect by October 31, 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 notify the Borrower and the Guarantor of such later date.

*Article VIII*

## MISCELLANEOUS

*Section 8.01.* The Closing Date shall be December 31, 1970, or such other date as shall be agreed upon by the Borrower and the Bank.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Empresa Nacional Portuaria  
Puerto Cortés  
Honduras

Alternative address for cablegrams and radiograms :

Emportuaria  
Puerto Cortés

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.

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 Portuaria :

*By* Ricardo REYES  
Authorized Representative

SCHEDULE I  
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>
June 1, 1971	\$65,000	June 1, 1981	\$115,000
December 1, 1971	65,000	December 1, 1981	120,000
June 1, 1972	70,000	June 1, 1982	120,000
December 1, 1972	70,000	December 1, 1982	125,000
June 1, 1973	70,000	June 1, 1983	130,000
December 1, 1973	75,000	December 1, 1983	135,000
June 1, 1974	75,000	June 1, 1984	135,000
December 1, 1974	80,000	December 1, 1984	140,000
June 1, 1975	80,000	June 1, 1985	145,000
December 1, 1975	85,000	December 1, 1985	150,000
June 1, 1976	85,000	June 1, 1986	155,000
December 1, 1976	90,000	December 1, 1986	160,000
June 1, 1977	90,000	June 1, 1987	165,000
December 1, 1977	95,000	December 1, 1987	170,000
June 1, 1978	95,000	June 1, 1988	175,000
December 1, 1978	100,000	December 1, 1988	180,000
June 1, 1979	100,000	June 1, 1989	185,000
December 1, 1979	105,000	December 1, 1989	190,000
June 1, 1980	110,000	June 1, 1990	195,000
December 1, 1980	110,000	December 1, 1990	195,000

\* To the extent that any portion 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	½%
More than three years but not more than six years before maturity	1%
More than six years but not more than eleven years before maturity	2%
More than eleven years but not more than sixteen years before maturity	3%
More than sixteen years but not more than twenty-one years before maturity	4%
More than twenty-one years but not more than twenty-three years before maturity	5%
More than twenty-three years before maturity	6%

## SCHEDULE 2

## DESCRIPTION OF PROJECT

The Project consists of a program of expansion and modernization of the port of Puerto Cortés and studies of other sea ports and comprises :

1. *Improvements to Existing Facilities*

Existing facilities will be modernized by the construction of loading platforms, ramps, paving, fences, gates, gatehouses; laying new and re-laying existing railway trackwork; providing fire protection installations; and carrying out miscellaneous minor repairs.

2. *Construction of New Port Service Building*

A port service building will be constructed, including a fire equipment garage, a repair shop for cargo handling equipment and port administrative offices. Machine tools will be provided in the equipment repair shop.

3. *Construction of New Warehouse*

A new warehouse will be constructed with fire protection installations and associated paving and trackwork.

4. *Construction of Additional Berths*

A transit area will be reclaimed and a marginal wharf about 1100 feet long constructed adjoining it, together with a transit shed, paved area, railway trackwork and fire protection installations.

5. *Acquisition of Equipment*

Suitable port operating equipment will be procured for use in the port.

6. *Improvement of Operations*

The Borrower's port operating, administrative, accounting and costing procedures will be reviewed and improved or established to conform to modern standards and appropriate training programs will be conducted for the Borrower's personnel.

7. *Studies of other sea ports*

Studies will be conducted to determine the economic, financial and technical feasibility of constructing new sea port facilities or expanding existing ones on the Pacific Coast and on the Atlantic Coast to meet the needs of the national economy.

The Project is scheduled to be completed during the first half of 1970.