

No. 9020

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

**Letter Agreement relating to technical assistance for the
expansion of the Port of Corinto (with appendix).
Signed at Washington, on 13 March 1967**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
13 March 1968.*

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

**Lettre d'accord relative à l'octroi d'une assistance techni-
que pour l'agrandissement du port de Corinto (avec
appendice). Signée à Washington, le 13 mars 1967**

Texte officiel anglais.

*Enregistrée par la Banque internationale pour la reconstruction et le développe-
ment le 13 mars 1968.*

No. 9020. LETTER AGREEMENT¹ BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND NICARAGUA RELATING TO ASSISTANCE FOR THE EXPANSION OF THE PORT OF CORINTO. SIGNED AT WASHINGTON, ON 13 MARCH 1967

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

March 13, 1967

General Arnaldo Garcia
Ministro de Fomento y Obras Publicas
Managua, Nicaragua

Dear Mr. Minister:

I am writing to you with regard to the proposed Study of the Expansion of the Port of Corinto in Nicaragua (hereinafter called "the Study"), for which the Government of the Republic of Nicaragua (hereinafter called "the Government") has requested the assistance of the International Bank for Reconstruction and Development (hereinafter called "the Bank").

It is our understanding that the Government is negotiating with the consulting firm of LIVSET a contract for the carrying out of the Study.

I am pleased to inform you that the Bank is willing to assist in the carrying out of the Study on the following terms and conditions:

1. (a) The Government shall carry out the Study through the Autoridad Portuaria de Corinto (hereinafter "the Autoridad") an autonomous agency of the Government.

(b) The scope of the Study shall be as indicated in the terms of reference attached hereto as Appendix A.²

(c) In the carrying out of the Study the Government shall employ consultants satisfactory to the Bank (hereinafter called "the Consultants") under a contract with the Government (hereinafter called "the Contract") the terms and conditions of which and any modification or amplification thereof shall be subject to the prior approval of the Bank.

2. (a) The Bank shall provide funds up to U.S.\$175,000 equivalent to finance the presently estimated foreign exchange cost of the Study.

¹ Came into force on 12 April 1967, upon notification by the Bank to the Government of Nicaragua.

² This Appendix, which contains detailed information intended for the use of the consultants, is not reproduced herein.

(b) The Bank shall pay directly to the Consultants such amounts (not exceeding the amount of U.S.\$175,000 equivalent specified under (a) above) as are payable to the Consultants in currencies other than Nicaraguan currency under the Contract and in accordance with the terms and conditions thereof.

3. (a) The Government shall provide or bear the cost of all local services and facilities required for the carrying out of the Study, including subsistence allowances of the Consultants and expenditures for local transportation, clerical and manual personnel and office space, equipment, vehicle maintenance and supplies. If the presently estimated foreign exchange cost of the Study set forth in Section 2 (a) hereof shall be exceeded the Government shall, in addition, make arrangements, satisfactory to the Bank, promptly to provide the Autoridad or cause the Autoridad to be provided with such funds as are needed to finance the completion of the Study over and above the amounts payable by the Bank.

(b) The Government shall take or cause to be taken all such action as shall be necessary to permit the Study to be carried out with due diligence and efficiency and shall not take any action or permit any action to be taken which will prevent or interfere with the carrying out of the Study or the performance by the Consultants of their duties.

(c) The Government shall assign to the Consultants qualified local counterpart personnel to work with the Consultants' staff for liaison and training purposes.

4. (a) The Government shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request with regard to the Study.

(b) The Government and the Bank shall cooperate fully to assure that the purposes of the Study will be accomplished. To that end, the Government and the Bank shall from time to time exchange views through their representatives on the progress of the Study and the results thereof.

5. (a) The Bank shall be entitled by notice to the Government to suspend in whole or in part the disbursement of funds hereunder if the Government shall have failed to carry out any obligation undertaken by it hereunder, or if any other condition arises which interferes with or threatens to interfere with the successful carrying out of the Study or the accomplishment of the purpose thereof.

(b) If the condition giving rise to such suspension shall continue for a period of fourteen days following such notice of suspension, then the Bank, at its option, may, by notice to the Government, cancel this Agreement. Upon such cancellation, the obligation of the Bank to provide funds for the Study shall terminate.

6. This Agreement shall not become effective until:

(a) The Government shall have signed the Contract with the Consultants.

(b) The Bank shall have received evidence satisfactory to the Bank and an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank showing that this Agreement and the Contract have been duly authorized or ratified by all necessary corporate and governmental action (including action by the Autoridad) and constitute the valid and binding obligations of the Government in accordance with their terms.

(c) The Bank shall have notified the Government of its acceptance of such evidence and opinions. The Effective Date of this Agreement shall be the date when the Bank gives such notification.

If the foregoing meets with your approval, please so indicate by signing the form of confirmation on the enclosed copy of this letter and returning such copy to us.

Very truly yours,

International Bank for Reconstruction
and Development:

By Roger A. CHAUFURNIER
Deputy Director
Western Hemisphere Department

Confirmed:

The Republic of Nicaragua:

By Arnolando GARCIA
Authorized Representative