

2. The term "CIDA" refers to the Canadian International Development Agency.

3. The term "parallel financing" refers to the financing by the Government and the Bank of different goods and services or parts of a given project or program.

4. The term "joint financing" refers to the shared financing by the Government and the Bank of all or certain items in agreed proportions of a given project or program.

ARTICLE II

Methods and Application of Cofinancing

1. The financing to be made available by the Government through CIDA, pursuant to this Agreement, may be made available on a tied or untied basis. Unless otherwise agreed, tied funds will be provided for projects and programs on a parallel financing basis. Untied funds may be provided for projects and programs on a joint financing or parallel financing basis.

2. Whenever the Government wishes to finance a project or program for which a Bank loan has already been arranged, the Bank shall request the other parties to its loan documentation to agree to amendments, if any, required in that documentation to reflect the cofinancing.

ARTICLE III

Project and Program Selection

1. Each development project and program to be financed by the Government pursuant hereto shall be selected by the Government, in consultation with the Bank and the intended recipient, from a list of projects and programs prepared and periodically updated by the Bank and transmitted to the Government for such purpose.

2. The Government may bring to the attention of the Bank other projects and programs which it considers may be of interest to the Bank and provide suggestions concerning the possible extent of participation of both parties in such projects and programs.

3. Consultative meetings shall be held by the Bank and CIDA at least once a year for the purpose of reviewing the project and program list referred to in paragraph 1 of this Article III. Following such review, the Government shall inform the Bank of the projects and programs it is interested in cofinancing, the amounts of funds which the Government intends to make available for the financing of such projects and programs and whether such funds are to be provided on a joint financing or parallel financing basis. The goods and services to be financed out of such funds shall be determined by mutual agreement between the Government, the Bank and the intended recipient.