

provided that, notwithstanding any provisions in the Regulations to the contrary; (a) administrative expenses shall not be paid nor shall financing on a non-reimbursable basis be made from the Contributed Resources but only from Accrued Resources derived from the Contribution and such other resources as may be made available to the Bank for such purposes; (b) unless otherwise agreed by the Bank and the Contributor, the Bank shall not employ the Contributed Resources to make equity investments or to guarantee loans.

SECTION 2.05. The Bank may, from time to time, allocate a portion of the income from the Contributed Resources to Accrued Resources in accordance with Article 6, Section 1 of the Regulations.

SECTION 2.06. The Bank shall carry out Special Development Fund operations financed from the Contributed Resources and Accrued Resources so that, when considering an application for financing, the Bank shall take into account, among the various pertinent factors, the general economic position of the recipient country, including its balance of payments and capacity to service additional long term external debt obligations. These factors will determine whether the terms and conditions of concessional financing are applicable in a given case or whether financing might more appropriately be provided from other sources by a loan of the type made by the Bank in its ordinary operations.

SECTION 2.07. The Bank shall maintain an account of all receipts and disbursements arising out of the business transacted under this Agreement and shall furnish the Contributor with a detailed statement of the account on a quarterly basis including the use of contributed resources, the status of each project or program financed therefrom, and estimates of anticipated disbursements.

ARTICLE III

Information and Consultation

SECTION 3.01. For purposes of consultation and communication between the Bank and the Contributor in respect of matters arising under this Agreement, the designated agency on behalf of the Contributor shall be the Canadian International Development Agency, through the Director or Alternate Director appointed by and representing the Contributor at the Bank unless otherwise agreed between the Contributor and the Bank.

ARTICLE IV

Effective Date: Amendment: Termination: Withdrawal

SECTION 4.01. This Agreement shall come into force and effect on the date hereof

SECTION 4.02. This Agreement may be amended at any time subject to the concurrence of both the Contributor and the Bank.

SECTION 4.03. The Contributor may withdraw all or part of the Contribution and the accrued resources derived therefrom pursuant to Article II section 2.05 of this agreement, in accordance with the procedure established by the Regulations.

SECTION 4.04. In the event of termination of the Bank's administration of the Contribution and accrued resources derived therefrom, the Contributor