

purposes of this Agreement. Laos shall promptly inform the Administrator of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of this Agreement.

SECTION 6.05. The Administrator may enter into such agreements or arrangements with Laos, or any agency designated by Laos for this purpose, as it shall deem desirable for implementing the terms and purposes of this Agreement. Laos hereby agrees to perform its obligations and cause such agency to perform its obligations under any such agreements or arrangements.

SECTION 6.06.(a) Except as the Administrator shall otherwise agree, Laos shall make and maintain arrangements, satisfactory to the Administrator:

- (i) to ensure that the importation, acquisition, purchase, felling, extraction, sale, furnishing, use, consumption and ownership of goods and other property or services necessary or desirable for the purposes of carrying out the Project shall be exempt from customs duties, sales and excise taxes, and all other taxes and duties; and
 - (ii) to exempt from income and similar taxes income and receipts of non-Laotian contractors, suppliers, consultants and other companies, firms and entities, furnishing or supplying property or services for the purposes of the Project, and of their non-Laotian employees.
- (b) The application of specific exemptions under subsection (a) of this Section 6.06 to any person, company, firm or entity shall be set forth in the contractual arrangements between Laos and such person, company, firm or entity or in arrangements made between Laos and the Administrator for that purpose.

SECTION 6.07. Since Part B of the Project will not be in the territory of Laos, it is understood and agreed that the undertakings and responsibilities of Laos shall not extend to said Part B of the Project except to the extent required to assure the proper coordination with the other parts of the Project.

ARTICLE VII

Undertakings of Thailand

SECTION 7.01.(a) Thailand shall cause Part B of the Project to be carried out with due diligence and efficiency and in accordance with sound engineering and financial practices.

- (b) Thailand shall, at its own expense and promptly as needed, obtain and make available all land and interests in land required for the carrying out of Part B of the Project.
- (c) Subject to the provisions of Section 4.02 (ii), all goods required for Part B of the Project shall be procured on the basis of international competition pursuant to arrangements acceptable to the Administrator, except as the Administrator shall otherwise determine on grounds of appropriateness, efficiency, expedition or economy, after consultation with Thailand.

SECTION 7.02. Thailand shall cause all goods financed out of monies disbursed to it or on its request from the Fund to be used exclusively in the carrying out of Part B of the Project, except as the Administrator may otherwise agree in respect of goods no longer required for Part B of the Project.