

ANNEX B

ADMINISTRATION, PURCHASING AND PAYMENT PROCEDURES

I. *Administration procedures*

Honduras shall

- (a) delegate the responsibility for the administration, control and allocation of loan proceeds to the Honduran Ministry of the Treasury and Public Credit in accordance with the conditions of this agreement;
- (b) notify CIDA in writing of the names and titles of those persons authorized to sign on behalf of Honduras; and
- (c) promote use of the goods and services procured from the proceeds of the loan by Honduran companies owned by Honduran interests.

II. *Purchasing procedures*

Honduras shall

- (a) obtain authorization and instructions from CIDA before opening negotiations for acquisition of the goods and services described in Article II of this loan agreement and in Annex A thereto;
- (b) call tenders in Canada for any transaction exceeding two hundred thousand Canadian dollars (Can \$200,000) in value. Honduras shall inform CIDA of the outcome of the tender call;
- (c) ensure that all invitations to tender and requests for price confirmation contain all necessary information on the goods and services sought, including description, technical specifications, terms of delivery and any other details which may affect the price. This information shall be given in accordance with Canadian standards;
- (d) ensure that each call for tender or request for price confirmation is sent to CIDA at the same time as it is sent to the respective Canadian suppliers;
- (e) ensure that the lowest tender is accepted, provided specifications and other conditions are met;
- (f) ensure that a copy of each purchase order is sent to CIDA at the same time as it is sent to the supplier or to the supplier's agent; and
- (g) provide CIDA with a certificate attesting that the goods and services can be financed from the proceeds of the loan.

III. *Payment procedures*

Payments to Canadian suppliers shall be made by withdrawals from the loan account established pursuant to Article I of this Agreement, in accordance with the following procedures:

- (a) upon request by Honduras, CIDA shall make direct payments to Canadian suppliers to cover the costs of the goods or services provided by these suppliers;