

ARTICLE III

1. In pursuance of the objectives of this Agreement, the Government of Canada and the Government of China may conclude subsidiary arrangements or loan agreements, in respect of specific projects involving one or several components of the programme described in Article I. Subsidiary arrangements shall define a joint project concept, specifying the project objective, the contributions to be made by the Government of China and the Government of Canada, the functions and organizational positions of the participants and such other matters as may be mutually agreed upon.
2. Unless stated otherwise, subsidiary arrangements concerning grants or contributions from the Government of Canada shall be considered as administrative arrangements.
3. Loan agreements shall be formal agreements between the contracting parties and shall be legally binding.
4. Subsidiary arrangements and loan agreements shall make specific reference to the present Agreement.
5. The Government of Canada and the Government of China, in the spirit of paragraph (e) of Article I of this agreement, shall facilitate the negotiation and signing of agreements or arrangements between institutions, corporations or persons of the two countries relating to specific projects of development cooperation. These agreements or arrangements shall be approved by the Government of Canada and the Government of China and shall be considered as subsidiary arrangements within the meaning of this Agreement.

ARTICLE IV

Unless otherwise indicated, the Government of Canada shall assume the responsibilities described in Annex "A" and the Government of China shall assume the responsibilities described in Annex "B" in respect of any specific project established under a subsidiary arrangement or a loan agreement. Annexes "A" and "B" shall be integral parts of this Agreement.

ARTICLE V

For the purposes of this Agreement:

- (a) "Canadian firm" means a Canadian or other non-Chinese firm or institution acceptable to the Governments of both Canada and China engaged in any project established under a subsidiary arrangement or a loan agreement;
- (b) "Canadian personnel" means Canadians, or other persons acceptable to the Governments of both Canada and China, working in China on any project established under a subsidiary arrangement or a loan agreement; and