

required to meet the estimated expenditures for the following three month period (to be advised by the Bank to the Government in a timely manner in advance) for agreed goods and services, including agreed local costs. The Bank may invest the funds pending their disbursement. The income therefrom shall be added to the appropriate project or program sub-account and thereafter be available for the same purpose as said funds. The Bank will disburse, or arrange for the disbursement of, such funds to pay for goods or service eligible for financing and, for this purpose, the Bank may exchange the funds in the Account for other currencies.

- (c) The Bank shall maintain separate project and program sub-accounts in respect of the funds in the "T" Account. The Bank shall furnish the Government quarterly statements of account on such sub-accounts. The Bank shall cause the Account to be audited and certified by the Bank's external auditors for each fiscal year of the Government and shall furnish the report of such audit by said auditors to the Government promptly after the completion thereof.
- (d) Unless otherwise agreed, the Government authorizes the Bank to deduct from the "T" account a fee not exceeding two per cent (2%) of the amount of the funds contributed by the Government to any project or program for the purpose of defraying any administrative expenses incurred by the Bank. Fifty percent of such fee shall be deducted at the time of the initial deposit of fund into the Account for the relevant project or program. The remaining 50% of such fee shall be deducted upon completion of eligible disbursements for the project or program.

3. If, upon the completion of a project or program for which funds were provided, there remains in the appropriate subaccount an unused balance of such funds (including interest earned thereon), the Bank shall return such balance (in Canadian dollars) to the Government.

ARTICLE V

Cooperation and Consultation

1. Once a project or program has been selected by the Government for cofinancing, the Government, through CIDA, and the Bank shall, to the extent relevant, keep each other informed on a regular basis concerning the estimated timing and results of feasibility studies, appraisals and other project or program preparation activities, shall invite each other to participate in such activities to the extent feasible, and subject as appropriate to the consent of the intended recipient, and shall furnish to each other copies of relevant reports and documents concerning such activities. All identification, preparation and appraisal activities carried out by the Bank shall be done in accordance with its normal policies and procedures.

2. For those projects and programs in respect of which the Government intends to provide funds directly to an intended recipient pursuant to an agreement between such parties, the Government and the Bank shall

- (a) invite the other to participate as observers in their respective negotiations with the intended recipient, subject to the consent of the intended recipient;