

Section 1.07

Repayments shall be made without any deductions whatsoever, and more particularly shall be free from any taxes, charges or other restrictions imposed by the Corporation and those in effect in the territories of the Corporation member countries or administrative, political or judicial divisions or subdivisions of these countries.

ARTICLE II

*Use of the Loan**Section 2.01*

Unless otherwise concurred in in writing by the Canadian International Development Agency, the proceeds of the Loan shall be used by the Corporation exclusively for on-lending to private firms as well as Government entities in member countries for pre-investment studies or industrial investment projects including the costs of ocean freight and marine insurance related thereto.

Section 2.02

The Corporation shall have the sole responsibility for selecting, processing and approving loan projects and for establishing terms and conditions of loans, using its normal policies, procedures and staff, and exercising the same care as in the administration of its own resources. The Corporation shall furnish Canada with such information and documentation in support of its operations as Canada may reasonably request, such evidence to be sufficient in form and substance to establish that the projects undertaken are properly related to the purpose of the Loan.

Section 2.03

The goods and services to be financed from the proceeds of the Loan shall be procured in Canada or in the Corporation's member countries. The procedures for the procurement of goods and services shall be those set forth in Annex "A" which forms an integral part of this Agreement.

Section 2.04

Notwithstanding Section 2.01, a reasonable portion of local costs may be financed from the proceeds of this Loan. However, if this portion were to exceed twenty per cent of the value of any project the concurrence of the Canadian International Development Agency should be obtained.

Section 2.05

Proceeds from the Loan shall not be used by the Corporation, and the Corporation shall ensure that proceeds from the Loan shall not be used to meet the costs of any taxes, fees or customs duties imposed directly or indirectly on any services, materials or equipment required for any projects undertaken under the Loan.

Section 2.06

The goods and services to be financed from the proceeds of the Loan shall be used exclusively in the member countries of the Corporation.