

- (g) provide CIDA with a certificate attesting that the goods and services can be financed from the proceeds of the loan.
3. If the utilization of purchasing agent services is selected, the following procedures will apply:
- El Salvador:
- (a) shall present a written request to CIDA for each purchasing agent service contract it seeks to enter into with Canadian persons. The request must specify the reasons for such a contract, the terms of reference of the purchasing agent, expected costs and any other information CIDA might request;
 - (b) shall obtain from CIDA for each purchasing services contract a list of four (4) Canadian companies;
 - (c) may request a quotation from one or more of the companies recommended by CIDA or enter into direct negotiations with any one of them when the foreseeable cost of the contract does not exceed two hundred thousand Canadian dollars (Cdn \$200,000);
 - (d) shall request a quotation from each of the companies recommended by CIDA when the foreseeable cost of the contract exceeds two hundred thousand Canadian dollars (Cdn \$200,000);
 - (e) shall instruct the selected companies to send copies of their quotations simultaneously to CIDA and to El Salvador;
 - (f) shall sign no contract for purchasing services without the prior authorization of CIDA.

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 El Salvador, CIDA shall make direct payments to Canadian suppliers to cover the costs of the goods or services provided by these suppliers;
- (b) CIDA shall send a confirmation of purchase order to each Canadian supplier for each transaction conducted by El Salvador or its designated agent, provided that the transaction has received prior approval from CIDA;
- (c) each confirmation of a purchase order sent by CIDA to a Canadian supplier shall specify that CIF payment is to be made directly upon receipt of copies in triplicate of the invoices from the suppliers, copies of non-negotiable shipping documents and any other documents, which may be considered necessary to ensure that the goods and services supplied meet specifications and other conditions set down in the purchase order issued by El Salvador or its designated agent.

IV. *Marine Freight and Insurance*

- (a) El Salvador or its designated agent agrees to specify when calling for tenders or in price confirmations, that prices shall be indicated CIF port(s) of entry in El Salvador and that Canadian suppliers shall be responsible for paying for freight and insurance prior to shipping;