

### *Section 2.07*

Services, materials and equipment contracted for prior to the effective date of the present Agreement may not be financed out of the proceeds of the Loan unless otherwise concurred in in writing by the Canadian International Development Agency.

### *Section 2.08*

Funds generated by the difference in terms of Canada's Loan to the Corporation and the less concessionary on-lending terms of the Corporation, and the funds generated by the interest accruing to the balance on deposit in the designated Canadian commercial bank will be used to establish a technical assistance programme for the Corporation which will include financing additional Canadian and Andean Group consultant services for project feasibility studies. For purposes of calculating the flows of resources accruing to the technical assistance programme, the Corporation is authorized to charge a standard administrative fee of up to 2.5 percent to be deducted from the differential in interest rates.

## ARTICLE III

### *Withdrawals of Proceeds of the Loan*

#### *Section 3.01*

Subject to the conditions and limitations herein set forth, the Corporation shall be entitled to withdraw from the Loan account such amounts as are required to meet the costs of the services, materials and equipment which are eligible for financing as the costs become due and payable.

#### *Section 3.02*

Withdrawals from the Loan Account may be made in favour of such persons or agencies as may be designated by the Corporation.

#### *Section 3.03*

The Corporation or its designated agent shall furnish or cause to be furnished to Canada such documents and other evidence in support of its on-lending operations as Canada may reasonably request, such evidence to be sufficient in form and substance to establish that the amounts to be withdrawn are properly related to the purpose of the Loan.

## ARTICLE IV

### *Cancellation, Suspension or Amendment*

#### *Section 4.01*

The Corporation may, by sixty (60) days written notice to Canada cancel all or any part of the Loan not withdrawn by the Corporation prior to the giving of such Notice and not required to meet outstanding financial obligations incurred under the Loan.

#### *Section 4.02*

If any of the following events occur, and continue to occur, Canada may, by sixty (60) days written notice to the Corporation specifying the reason for suspension, suspend in whole or in part the right of the Corporation to obtain withdrawals from the Loan Account:

- a) A default by the Corporation in the payment of principal or in any other payments or repayments required under this Agreement and the Annexes hereto;