

ARTICLE IV

*Administration of Funds**A. Projects and programs cofinanced on a parallel financing basis*

1. Unless otherwise agreed, funds to be provided on a parallel financing basis shall be tied and shall be made available directly from the Government to the intended recipient, pursuant to an agreement to be entered in between such parties.

2. The Government shall afford the Bank, in respect of each project and program to be financed in part out of funds provided by the Government on a tied basis, a reasonable opportunity to satisfy itself that:

- (a) the procurement procedures to be used will fulfill the obligations of the intended recipient to cause the project or program, as the case may be, to be carried out diligently and efficiently, and that the items to be procured:
 - (i) are of satisfactory quality and are compatible with said project or program;
 - (ii) will be delivered or completed in a timely fashion; and
 - (iii) are reasonably priced and will not adversely affect the financial and economic viability of said project or program; and
- (b) in the case of consultant services, the scope of work to be undertaken and the terms of reference of the services to be provided from Canada are appropriate to the assignment.

B. Projects and programs cofinanced on a joint financing basis.

1. Unless otherwise agreed, funds to be provided on a joint financing basis shall be untied and shall be made available to the Bank in its capacity of Administrator, who will make available such funds to the intended recipient pursuant to a development grant agreement between the Bank (on behalf of the Government) and such recipient. For each project and program to be so cofinanced, CIDA and the Bank shall enter into an arrangement confirming

- (i) the appointment of the Bank as Administrator; and
- (ii) that the arrangements set forth in paragraph 2 below will apply in respect of the funds to be made available, and describing any other conditions applicable to such project or program.

2. For those projects and programs where it is agreed that the Bank will act as Administrator, the following shall apply:

(a) The Bank shall be solely responsible for such administration and shall carry out such administration, including supervision of the procurement of goods and services, in accordance with procedures consistent with the Bank's guidelines for procurement and with the same degree of care as it uses in the administration of its own loans.

(b) The Government shall deposit the funds (in Canadian dollars) to be administered by the Bank in the Association's "T" maintained with the Bank of Canada (hereinafter referred to as the "T" Account) in an amount