

ARTICLE IV

Disbursements from Fund

SECTION 4.01. Amounts in the Fund shall be used or disbursed by the Administrator exclusively to finance the cost of the goods. The specific items to be financed from the Fund and the methods to be used in procuring and financing them shall be determined from time to time by the Administrator, after consultation with Laos or, in respect of goods for Part B of the Project, with Thailand.

SECTION 4.02. Except as shall be otherwise determined by the Administrator, no disbursements shall be made on account of (i) expenditures prior to March 11, 1966, or (ii) expenditures in the territories of any country which is not a Party to this Agreement, or for goods produced in, or services supplied from, such territories.

SECTION 4.03. Disbursements from the Fund shall be in such currencies as the Administrator shall elect.

SECTION 4.04. Laos shall make and maintain arrangements for the sale of kip required for the carrying out of the Project at the most advantageous legal rate.

ARTICLE V

Applications for Disbursement

SECTION 5.01. When Laos, or Thailand in respect of Part B of the Project, shall desire any disbursement to be made from the Fund, it shall deliver to the Administrator a written application in such form, and containing such statements and agreements, as the Administrator shall request.

SECTION 5.02. Laos or Thailand, as the case may be, shall furnish to the Administrator such documents and other evidence in support of each such application as the Administrator shall request, whether before or after the Administrator shall have permitted any withdrawal requested in the application.

SECTION 5.03. Each application and the supporting documents must be sufficient in form and substance to satisfy the Administrator that the amount requested is to be used only for the purposes specified in this Agreement, that the goods on account of which disbursement is requested are suitable for the Project, and that the cost thereof is not unreasonable.

SECTION 5.04. The Administrator may make payments or arrangements for payment directly to the suppliers of goods or others without any application by Laos or Thailand therefor whenever, after consultation with Laos (or, in respect of Part B of the Project, Thailand), it determines that such procedure is necessary or desirable for the efficient carrying out of the Project.

ARTICLE VI

Undertakings of Laos

SECTION 6.01. (a) Laos shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices and shall accord first priority, in its development program, to the Project.

(b) To assist it in the carrying out of the Project, Laos shall employ or cause to be employed qualified and experienced consultants acceptable to the Administrator to an extent and on terms and conditions satisfactory to the Administrator.