

No. 14213

CANADA
and
INTER-AMERICAN DEVELOPMENT BANK

**Agreement for the provision of funds for a special program
for financing the preparation of development projects
(with annex). Signed at Washington on 22 March 1974**

*Authentic texts: English, French and Spanish.
Registered by Canada on 18 August 1975.*

CANADA
et
BANQUE INTERAMÉRICAINNE
DE DÉVELOPPEMENT

**Accord en vue de fournir des fonds au titre d'un programme
spécial destiné à financer la préparation de projets de
développement (avec annexe). Signé à Washington le
22 mars 1974**

*Textes authentiques : anglais, français et espagnol.
Enregistré par le Canada le 18 août 1975.*

AGREEMENT¹ BETWEEN THE INTER-AMERICAN DEVELOPMENT BANK AND THE GOVERNMENT OF CANADA FOR THE PROVISION OF FUNDS FOR A SPECIAL PROGRAM FOR FINANCING THE PREPARATION OF DEVELOPMENT PROJECTS

PREAMBLE

Whereas the Government of Canada (hereinafter referred to as “Canada”) has indicated its desire to make further contribution to Latin American economic development;

Whereas it is the desire of the Inter-American Development Bank (hereinafter referred to as “the Bank”) and the Government of Canada to finance a special Inter-American program of project preparation, the aim of which is to improve development project preparation so that the public and private international financing institutions may more effectively contribute to the economic progress of the developing member countries of the Bank.

Now, therefore, the parties hereto agree as follows:

Article I. PURPOSE OF THE PROGRAM

The Bank will utilize the funds made available by Canada under this Agreement to assist in the formulation of well prepared development projects in eligible member countries of the Bank, as part of an Inter-American effort to increase the number of development projects available for consideration by public and private international financing institutions.

Article II. AMOUNT AVAILABLE

(a) For the purpose of this Agreement, Canada shall make available to the Bank, up to One Million Five Hundred Thousand Canadian dollars (Cdn\$ 1,500,000) to finance operations in accordance with the terms of this Agreement.

(b) For the purposes of this Agreement, the funds referred to in paragraph (a) shall be deposited to a special account of the Bank established in a Canadian bank of its choice.

Article III. ELIGIBLE BENEFICIARIES

The funds provided by Canada under this Agreement will be made available to governments and public and private entities of member countries which are eligible to receive financing from the Bank and which propose to the Bank project development proposals supported by adequate documentation.

Article IV. ELIGIBLE USES

The funds provided by Canada under this Agreement may be used to finance any or all of the steps from inception of a project proposal to its presentation as a loan application ready for negotiation with a prospective lender, including basic studies, preliminary feasibility, feasibility and final engineering design.

¹ Came into force on 22 March 1974 by signature, in accordance with article X.

Article V. USE OF FUNDS

(a) The funds made available under this Agreement shall be used for the purchase of services from Canada or for the acquisition of services of local origin in the country where the assistance is received. However, if such transaction would be advantageous to the borrower, the Bank may authorize the use of the funds for the acquisition of services produced in other developing countries which are members of the Bank, and, with the concurrence of the Canadian International Development Agency, in other member countries.

(b) The procedures for the procurement of services shall be those set forth in Annex A which forms an integral part of this Agreement.

Article VI. PREFERENCE FOR LESSER DEVELOPED MEMBERS OF THE BANK

The funds provided by Canada under this Agreement will be so administered as to give preferential access to the program to the lesser developed member countries of the Bank.

Article VII. TERMS OF FINANCING

The funds provided by Canada under this Agreement will be made available on a non-reimbursable basis only in the lesser developed member countries of the Bank or those with insufficient markets. The funds made available on a contingent recoverable or recoverable basis may be utilized in any member country which is eligible to receive financing from the Bank and may be made repayable in whole or in part, as to both principal and interest, in the currency disbursed. The funds that are recovered from loans generated by projects prepared under this program will be reincorporated for use in this program in accordance with the criteria set forth in this Agreement. Amortization and interest recoveries derived from loans made under this Agreement will similarly be reincorporated for use in this program.

Article VIII. SELECTION OF OPERATIONS AND STANDARD OF CARE

(a) The Bank shall have the responsibility for selecting, processing and approving operations and, subject to this Agreement, for establishing the terms and conditions of operations. Operations to be financed with funds made available under this Agreement shall be approved pursuant to the same procedures utilized for authorizing the use of Bank resources to finance technical cooperation operations.

(b) The Bank shall have the sole responsibility for the supervision and control of operations financed with funds made available under this Agreement, but shall keep the Government of Canada informed with respect to the implementation of each such operation as part of the Bank's normal procedure of reporting the status of projects.

(c) The Bank shall exercise the same care in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of its own affairs. In determining project preparation priorities, account will be taken of recommendations in the CIAP country review process regarding priorities and potential projects.

Article IX. ANNUAL PROGRAM PRESENTATION

The Management of the Bank will prepare, on an annual basis, a program concerning the use of the funds provided by Canada under this Agreement for submission to the Board of Executive Directors as part of the technical cooperation program of the Bank.

Article X. AMENDMENT AND TERMINATION

(a) This Agreement may be extended by mutual agreement of both Parties to cover any additional funds which the Government of Canada may from time to time make available for the purposes of the Agreement.

(b) This Agreement may be amended by mutual agreement of both Parties at any time.

(c) If it appears to either Party that the co-operation envisaged by this Agreement can no longer appropriately or effectively be carried out, the Agreement may be terminated by one Party giving thirty (30) days notice in writing to the other Party.

(d) In the case of termination due consideration will be given to the disposition of operations in process. Funds which, at the time of termination of this Agreement, have been committed by the Bank for specific projects shall not be affected by such termination.

(e) Unless otherwise concurred in in writing by the Canadian International Development Agency, funds provided by Canada under this Agreement prior to its termination shall, after the termination of this Agreement, continue to be governed by the terms of this Agreement.

This Agreement shall enter into force on the date it is signed by the two Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Agreement.

DONE in two copies at Washington, District of Columbia, United States of America, this twenty-second day of March, 1974, in the English, French and Spanish languages, each version being equally authentic.

DAVID B. LAUGHTON
For the Government of Canada

ANTONIO ORTIZ MENA
For the Inter-American Development Bank

A N N E X A

PROCUREMENT PROCEDURES

Procurement of Services

The normal procedures of the Bank for the selection and contracting of consulting firms and/or individual consultants shall be followed.

Therefore, for the present purposes of this Agreement, services from Canadian firms or their subsidiaries abroad shall be eligible for financing and Canadian firms shall mean firms incorporated in Canada, and managed and operated from Canada, employing Canadian personnel and having not less than 51 per cent of their shares beneficially owned by Canadians.

The Bank shall supply to the Canadian International Development Agency on a periodic basis the names of all Canadian consulting firms, individual Canadian consultants or suppliers of services who have registered with it. The Canadian International Development Agency will notify the Bank in writing which Canadian consultants or suppliers of services it considers eligible under this Agreement. For the purposes of this Agreement, the Bank will approve the retaining of only Canadian consultants or suppliers of services whose names appear on the Canadian International Development Agency's eligibility lists. The Bank will consult with the

Canadian International Development Agency regarding any Canadian consultants or suppliers of services whose eligibility has not thus been determined.

Likewise, for the purposes of this Agreement and as provided therein, services from firms and/or individual consultants of the Bank's eligible member countries shall be eligible for financing and, for present purposes, these firms shall mean firms incorporated in the above countries, managed and operated from them, employing nationals of the eligible member countries, and having not less than 51% of their shares beneficially owned by individuals or firms of the eligible member countries.
