

# Agreement Concerning the Management of the ISURRUUTIIT-4 Program

## **Agreement Concerning the Management of the ISURRUUTIIT-4 Program**

### **BETWEEN**

**THE KATIVIK REGIONAL GOVERNMENT**, a legal person established in the public interest, duly constituted under *An Act respecting Northern Villages and the Kativik Regional Government* (CQLR, c. V-6.1), represented herein by its Chairperson, Jennifer Munick, and its Secretary, Ina Gordon, who are duly authorized by resolution to sign this Agreement, hereinafter referred to as the "KRG",

### **AND**

**THE GOUVERNEMENT DU QUÉBEC**, represented herein by Martin Coiteux, Minister of Municipal Affairs and Land Occupancy, and by Geoffrey Kelley, Minister responsible for Aboriginal Affairs, hereinafter referred to as "Québec".

WHEREAS the investment plan under the ISURRUUTIIT-3 Program, established in 2011 to improve municipal infrastructure in the Northern villages, is nearing completion;

WHEREAS the KRG submitted to the Minister of Municipal Affairs and Land Occupancy, hereinafter called "the Minister", a new investment plan for projects for which the maximum capital funding envelope would be \$123 million over a five-year period;

WHEREAS the Minister submitted a counter-proposal to the KRG, which accepted it, for a maximum capital funding envelope of \$100 million over a five-year period;

WHEREAS the implementation of the new investment plan involves the signing of an agreement with the KRG concerning the management of the ISURRUUTIIT-4 Program;

WHEREAS this agreement constitutes an agreement relating to Native affairs referred to in section 3.48 of the *Act respecting the Ministère du Conseil exécutif* (CQLR, chapter M-30);

WHEREAS, pursuant to the first paragraph of section 3.49 of this Act, an agreement referred to in section 3.48 must, to be valid, be approved by the Gouvernement du Québec and signed by the Minister responsible for Native affairs;

WHEREAS the Government, by Order-in-Council 297-2016 dated April 13<sup>th</sup>, 2016, approved this Agreement concerning the management of the ISURRUUTIIT-4 Program;

WHEREAS the Conseil du trésor approved the regulations and standards of governance of the ISURRUUTIIT-4 Program and the allocation by the Minister of Municipal Affairs and Land Occupancy of a maximum capital funding envelope of \$100 million;

WHEREAS section 351.2 of the *Act respecting Northern villages and the Kativik Regional Government* (CQLR, chapter V-6.1) permits the KRG to sign the Agreement concerning the management of the ISURRUUTIIT-4 Program;

WHEREAS, pursuant to section 351.3 of the *Act respecting Northern villages and the Kativik Regional Government*, the KRG possess all the powers required to fulfill the obligations incumbent on it under this Agreement;

WHEREAS, pursuant to section 351.3 of the *Act respecting Northern villages and the Kativik Regional Government*, the KRG possess all the powers required to fulfill the obligations incumbent on it under this Agreement;

WHEREAS, in compliance with section 398 of the *Act respecting Northern villages and the Kativik Regional Government*, the KRG may ask the Minister to authorize it to contract debt financing for the projects to be implemented under this Agreement according to the conditions and for the term determined by the Minister;

WHEREAS this Agreement constitutes a case of renewal of funding for the ISURRUUTIIT-4 Program, referred to in section 2.5.6 of the Partnership Agreement in Economic and Community Development in Nunavik (Sanarrutik).

The parties agree as follows:

**1. Purpose of the Agreement**

The purpose of the Agreement is to establish the obligations of the KRG and the Minister with respect to the management of the ISURRUUTIIT-4 Program, including the management and allocation of the overall capital funding envelope and the application of the regulations and standards attached in Schedules A and B of this Agreement.

**2. Management of the Program**

The management of the ISURRUUTIIT-4 Program is assigned to the KRG, which shall analyze applications for financial assistance, select projects, establish agreements with the Northern villages, oversee the implementation of the selected projects in compliance with the Program's standards, arrange debt financing for the selected projects, and report to the Minister of its management of the Program.

**3. Financial Assistance**

3.1 The Minister, in consideration of the KRG's obligations and commitments and provided that the necessary budget appropriations are adopted, consents to pay to the KRG the applicable financial assistance for eligible projects implemented under the Program for the benefit of eligible organizations.

3.2 The financial assistance is described in section 2.4 of Schedule B.

3.2.1 To obtain payment of financial assistance, the KRG shall submit to the Minister, for each project, claims describing the progress of work. These claims shall itemize the investment expenditures incurred and paid by the KRG. The KRG's claims shall be accompanied by the report of an independent external auditor attesting to the compliance of the costs claimed. Moreover, the KRG shall complete the *Attestation du respect des dispositions législatives relatives à la gestion contractuelle* form (Attestation of compliance with the legislative provisions relating to contractual management). The external auditor shall also express an opinion on the compliance of the information recorded by the KRG on this form.

3.2.2 The Minister shall examine the admissibility of these expenditures, calculate the applicable financial assistance, and inform the KRG thereof. Where the KRG has contracted long-term loans to finance this financial assistance, the Minister shall pay the KRG, at term, the amounts necessary to repay these loans.

- 3.3 The Minister may require supporting documents for the expenditures declared in the claim. On such a request by the Minister, the KRG shall provide the supporting documents as soon as possible.
- 3.4 The Minister must receive claims within twelve months of the date on which the investment expenditures were incurred under a project retained by the KRG and after they have been paid by the KRG.

4. **General Obligations of the KRG**

The KRG undertakes to:

- a) manage the Program in accordance with the regulations and standards contained in Schedule B of this Agreement;
- b) report to the Minister at least once a year on its management of the Program, indicating in table format for each project the total expenditures incurred, those that are pending for the current year, as well as those anticipated in the following year, so that the Minister may take the steps necessary to obtain or commit the funds necessary to pay the financial assistance and have an overview of the Program's resource envelope;
- c) comply with the applicable laws, regulations and standards including, without limiting the generality of the foregoing, those related to labour law, environmental authorizations, employment equity and human rights;
- d) ensure that any contract relating to the performance of the work described in Schedule B is awarded according to the regulations applicable to it under the law governing it and submit, at the Minister's request, the grounds that justified its choice of awardee for the performance of the work described in Schedule B. In particular, the KRG shall favour healthy competition in its calls for public tenders;
- e) provide an inventory by village of the infrastructure, buildings and other fixed structures, and the rolling stock, and track them according to the investments (see Schedule B);
- f) ensure that the projects are implemented in accordance with generally accepted practices;
- g) keep appropriate and accurate accounts and records of the costs of the projects and management of the Program, and make them available to the Minister on request. Original supporting documents and records of all the costs that were the object of financial assistance must be kept for at least three years following the termination of the Program, subject to the application of other relevant legal provisions;
- h) retain the originals of the tender documents, the supporting documents and the records pertaining to all the work that was the object of financial assistance for a period of at least six year following the date of transmission to the Minister of the final claim for expenditures or, as the case may be, following the expiration of this Agreement, subject to the application of other legal provisions;
- i) permit the Minister, under this Agreement, to conduct any onsite audit of the ISURRUUTIIIT-4 Program and its management, up to three years following the termination of this Agreement;
- j) facilitate any audit undertaken by the Minister's representatives of the activities of the KRG, the Northern villages, contractors and their subcontractors;

- m) require the Northern villages to submit the resolution provided for in section 2.3.1 of Schedule B;
- n) reimburse to the Minister, within three months of such a request, all amounts received in violation of the regulations and standards of the Program.

**5. General Provisions**

- 5.1 Any changes to this Agreement shall be made in writing and signed by the parties.
- 5.2 Any changes to the regulations and standards contained in Schedule B of the Agreement shall not require the Agreement to be signed again.
- 5.3 Through the management of the program and the implementation of the projects, the KRG is not empowered to act as an agent of the Gouvernement du Québec.

**6. Case of Default**

The KRG shall be in default when it:

- a) does not fulfill an obligation of this Agreement;
- b) makes an error, omission or false statement, commits fraud or falsifies a document.

In case of default, the Minister may require the KRG to:

- a) remedy the default within the prescribed period. This period may not be less than thirty days;
- b) Should the KRG fail to remedy the default within the prescribed period, the Minister may terminate the Agreement for all the projects that have not been implemented. To this end, the Minister shall notify the KRG in writing of his intention to terminate the Agreement, which shall end on the date the Minister determines. No new project may be selected by the KRG from the date of receipt of the Minister's letter and the Minister shall only be required to pay financial assistance for the loans previously contracted by the KRG.

Failure by the Minister to exercise his rights, in case of KRG non-compliance, shall not be interpreted as a waiver of these rights.

**7. Term of the Agreement**

The Agreement shall come into effect on the date on which it is signed by all the parties and, except as may otherwise be provided, it shall expire on the date on which the obligations of each of the parties are fulfilled.

**8. Representatives of the Parties**

The Minister designates Madame Christiane Jacques, Director of the Service des opérations financières et du suivi de programmes, as his official representative for the purposes of the Agreement.

The KRG designates Frédéric Gagné, Director of the Municipal Public Works Department, as its official representative for the purposes of the Agreement.

If it becomes necessary to replace the representative of a party, the party in question shall appoint a replacement as soon as reasonably possible and notify the other party in writing of the replacement.

IN WITNESS WHEREOF, the parties hereto acknowledge having read and accepted each and every clause of the Agreement and the duly authorized representatives have signed.

**FOR THE KATIVIK REGIONAL GOVERNMENT**

Signed at Kuujuaq on the 22 day of June

Jennifer Munick  
Jennifer Munick  
Chairperson

Ina Gordon  
Ina Gordon  
Secretary

**FOR THE GOUVERNEMENT DU QUÉBEC**

Signed at Québec on the 26<sup>th</sup> day of May 2016

Martin Coiteux  
Martin Coiteux  
Minister of Municipal Affairs and Land  
Occupancy

Signed at Québec on the 8<sup>th</sup> day of June 2016

Geoffrey Kelley  
Geoffrey Kelley  
Minister responsible for Native Affairs

Handwritten initials

## SCHEDULE A

### CAPITAL FUNDING ENVELOPE UNDER THE ISURRUUTIIT-4 PROGRAM

Under the ISURRUUTIIT-4 Program, the capital funding envelope for this investment plan, for the purpose of the new eligible projects, is \$100,000,000 for a five-year term, insofar as the obligations of each of the parties are fulfilled. This amount has been allocated to the Program components and sub-components as follows:

#### Component 1: Infrastructure (\$58 million)

- 1.1: Drinking Water (\$13.5 million);
- 1.2: Wastewater (\$4.5 million);
- 1.3: Solid Waste (\$12.0 million);
- 1.4: Roadways (\$8.0 million);
- 1.5: Aqueduct and Sewers (\$20 million);

#### Component 2: Buildings and other Fixed Structures (\$21 million)

- 2.1: Administrative Offices;
- 2.2: Mechanical and Storage Garages;
- 2.3: Recreational Infrastructure;

The KRG will provide the breakdown by sub-component subsequently within a maximum period of one year after the date this Agreement is signed. This breakdown will be an integral part of this Agreement.

#### Component 3: Rolling Stock (\$21 million)

- 3.1: Drinking Water (\$3.1 million);
- 3.2: Wastewater (\$3.9 million);
- 3.3: Solid Waste (\$1.5 million);
- 3.4: Roadways (\$12.5 million).

The KRG may reallocate up to 10% of the initial \$100,000,000 among the different components and sub-components of the ISURRUUTIIT-4 Program. However, it must notify the Minister of any such adjustment. Moreover, any adjustment that results in a difference of more than 10% of the initial allocations must be submitted, along with the new budget envelope allocation, to the Minister for approval.

Eligible expenditures under the \$100,000,000 investment plan may be incurred beginning on January 1, 2016. Notwithstanding, expenses may be incurred before this date without necessarily being claimed or paid.

The terms of the loans to be contracted by the KRG for these expenditures shall be 10 years for projects under Components 1.3, 1.4 and 3, and 20 years for projects under Components 1.1, 1.2, 1.5 and 2.

## SCHEDULE B

### REGULATIONS AND STANDARDS FOR THE ISURRUUTIIT-4 PROGRAM

#### 1.0 DEFINITIONS

##### 1.1 In-house Work

Any work performed by employees of the Northern villages or the Kativik Regional Government (KRG).

##### 1.2 Rolling Stock

Any vehicle or mobile equipment that could be used to perform work under the Program.

#### 2.0 REGULATIONS

##### 2.1 Concerning the Structure of the Program

###### 2.1.1 Name

This financial assistance program for municipal infrastructure improvements in the Northern villages is called ISURRUUTIIT-4.

###### 2.1.2 Purpose

The purpose of the program is to ensure that, through financial assistance provided by the Gouvernement du Québec, the Northern villages acquire the infrastructure, buildings and rolling stock necessary to suitably and specifically perform the following municipal activities:

- the supply and distribution of drinking water;
- the collection and treatment of wastewater;
- the collection, disposal and recycling of solid waste;
- the improvement and maintenance of roadways;
- recreation (safe outdoor playgrounds);
- administration;
- the maintenance, repair and storage of rolling stock.

###### 2.1.3 Envelope

The envelope under the ISURRUUTIIT-4 program is a capital funding envelope that covers all eligible direct and indirect costs related to the implementation of projects and the management of the Program. The size of the envelope will vary according to government approvals of the applications made by KRG to fulfil the municipal infrastructure improvement needs of the Northern villages. The envelope shall be allocated to all or some of the following components and sub-components, which may be grouped or organized differently according to need:



## Component 1: Infrastructure

- 1.1 Drinking Water;
- 1.2 Wastewater;
- 1.3 Solid Waste;
- 1.4 Roadways;
- 1.5 Aqueduct and Sewers.

## Component 2: Buildings and Other Fixed Structures

- 2.1 Administrative Offices;
- 2.2 Mechanical and Storage Garages;
- 2.3 Recreational Infrastructure.

## Component 3: Rolling Stock

- 3.1 Drinking Water;
- 3.2 Wastewater;
- 3.3 Solid Waste;
- 3.4 Roadways.

## **2.2 Concerning the Administration of the Program**

### **2.2.1 Responsibility**

The Minister is responsible for the Program. In this capacity, he must ensure that the KRG fulfils its mandate in compliance with these regulations and standards.

### **2.2.2 Management**

The management mandate entrusted to the KRG under its agreement with the Minister includes these regulations and standards, which must be followed by the KRG with respect to the analysis, identification and selection of eligible projects, as well as their implementation and debt financing. To this end, the KRG shall, specifically:

- promote the Program among the 14 Northern villages;
- receive the project and financial assistance applications submitted by the Northern villages, opening a separate file for each project;
- analyze the projects submitted to determine whether they are eligible;
- inform the Northern villages of the projects selected, and enter into agreements with them concerning the descriptions of these projects, their implementation, their debt financing, and the transfer of property rights;
- assume responsibility for the implementation and debt financing of the selected projects;
- retain supporting documents;
- submit claims to the Minister in accordance with the terms and conditions contained in the Agreement. The following are to be attached to each claim:
  - Claim summary;
  - Claim forms for each file;
  - Invoices and proof of payment (on request);
  - Tracking of the financial assistance envelope of the ISURRUUTIIIT-4 program;
  - Attestation of compliance with the legislative provisions relating to contract management, signed by the designated representative of the KRG;
  - External auditor's report (in compliance with the auditors' instructions document of the Ministère des Affaires municipales et de l'Occupation du territoire);
- send the Minister a copy of the agreements made between the KRG and the Northern village for the projects chosen for financial assistance;
- allocate the financial assistance to repayment of long-term loans contracted for the purposes of performance of the chosen projects and management of the Program;
- produce a table once a year indicating, for each project, the total expenditures incurred, those that are pending for the current year, as well as those anticipated in the following year;
- produce once a year, within 3 months of the end of the KRG's financial year, a table indicating, for each village, an inventory of their infrastructure, buildings and other fixed structures, and their rolling stock. This table shall contain, for each item: the reference, the description, the

date of acquisition, construction or major renovation, the useful life, the acquisition cost and any other data the Minister will consider necessary for its reporting.

### 2.2.3 Rule Governing the Awarding of Contracts

The beneficiaries agree to comply with the rules governing the awarding of contracts for carrying out construction work and acquisition of goods and services under the *Act respecting Northern villages and the Kativik Regional Government* (CQLR, c. V-6.1).

## 2.3 Concerning Access to the Program

### 2.3.1 Eligible Organizations

The eligible organizations are the Northern villages of Akulivik, Aupaluk, Inukjuak, Ivujivik, Kangiqsualujuaq, Kangiqsujuaq, Kangirsuk, Kuujuaq, Kuujuarapik, Puvirnituk, Quaqtaq, Salluit, Tasiujaq and Umiujaq. These organizations will acquire or retain ownership of the infrastructure, buildings and other fixed structures, as well as rolling stock subsidized under the Program, as the projects are completed.

To benefit from this Program, Northern villages must meet the following conditions:

- submit an application to the KRG, on a form designed for this purpose, along with a resolution indicating support for the project and a commitment to fully assume (independently or so as not to require the government to renegotiate SIVUNIRMUT, the *Agreement concerning Block Funding for the Northern Villages*, or any other agreement between it and the KRG or the Northern villages) the on-going operating costs for the infrastructure, buildings and other fixed structures, as well as rolling stock subsidized under the Program, as the projects are completed;
- entrust responsibility for implementing and financing the project to the KRG, or make arrangements with the KRG to retain, in whole or in part, responsibility for implementing the projects.

#### Exception

While the Northern villages listed above are the only eligible organizations, the KRG may utilize part of the Program's envelope to acquire rolling stock for use within the region and strictly for municipal purposes. Where applicable, and as is the case with the Northern villages, the KRG shall file under each project the duly completed application, along with a resolution of the KRG Council indicating support for the project and a commitment to fully assume (independently or so as not to require the government to renegotiate SIVUNIRMUT, the *Agreement concerning Block Funding for the Northern Villages* or any other agreement between the KRG or the Northern villages) the on-going operating costs for the infrastructure, buildings and other fixed structures, as well as rolling stock subsidized under the Program, as the projects are completed.

### 2.3.2 Eligible Projects

Eligible projects are those related to:

- the construction, expansion or retrofitting of infrastructure as well as buildings and other fixed structures;
- the acquisition, replacement and overhaul of rolling stock.

To be recognized as eligible, projects must meet the following criteria:

- required for and only for the performance of the concerned municipal activities;
- implemented in accordance with the applicable laws and regulations;
- implemented following the submission of an official application to the KRG's Municipal Works Department regarding a project by the Northern village or the KRG;
- implemented under contract or in-house by the Northern village or the KRG.

### **2.3.3 Eligible Infrastructure, Buildings and Other Fixed structures, as well as Rolling Stock**

#### Infrastructure

Eligible drinking water infrastructure means intake, pumping, supply, storage, water quality control (telemetry), treatment and distribution by aqueduct or truck (trucks not included) of water intended for consumption and fire fighting purposes. Eligible wastewater infrastructures means drainage and collection (other than by truck), and treatment and discharge systems, with the exception of rain run-off. Eligible solid waste infrastructure means disposal and recycling sites and incinerators, where applicable. Also eligible is closing work for active existing landfill sites or new sites, as specified in the Regulation respecting the landfilling and incineration of residual materials (Environment Quality Act Q-2, r. 19) or in the conditions imposed in the certificates of authorization issued by the Ministère du Développement durable, Environnement et Lutte contre les changements climatiques. Eligible roadway infrastructure means streets, bridges and local access roads.

#### Buildings and Other Fixed Structures

Eligible buildings and other fixed structures means municipal offices, vehicle maintenance, repair and storage garages, and recreational equipment (outdoor playgrounds).

#### Rolling Stock

Rolling stock means drinking water delivery and wastewater collection trucks, garbage compactor trucks, road construction equipment, that is to say dump trucks, wheeled loaders, bulldozers, graders, excavators, backhoes, emulsion trucks or trailers, compactors, flat-bed trailers and trucks, gravel screeners, rock crushers, chip spreaders, rollers and road sweepers; regional equipment for solid waste recycling, that is to say a baler, waste shredder, scales, and miscellaneous tools; and different accessories for the above-mentioned rolling stock.

In order to be eligible, the infrastructure, buildings and other fixed structures, as well as rolling stock, must be owned or intended for ownership by a Northern village or the KRG, as the case may be. In addition, the infrastructure as well as the buildings and other fixed structures must stand on land which the Northern village or the KRG, as the case may be, is entitled to use pursuant to an agreement with the concerned landholding corporation or the Ministère de l'Énergie et des Ressources naturelles in those Northern villages where no landholding corporation exists. Finally, the infrastructure, buildings and other fixed structures, as well as rolling stock, must comply with the technical requirements set out in point 3.2.

### **2.3.4 Eligible Costs**

Eligible costs are those that apply solely to the implementation of eligible projects. They are broken down as follows:

#### Direct Costs

- payments to private businesses under contracts concerning the implementation of eligible projects;
- amounts spent by the KRG or paid by the KRG to a Northern village pursuant to a specific agreement as reimbursement of actual expenses or as payment of a predetermined amount for the in-house implementation of an eligible project. Whether they constitute a reimbursement of actual expenses or payment of a predetermined amount, these amounts must apply strictly to the following cost categories:
  - purchase of construction materials indicated in the plans and specifications, or required to properly implement the project;
  - tool rental;
  - rental of heavy equipment and light equipment, even though it may belong to a municipality, provided these rental costs do not exceed those specified in the schedule prepared by the Gouvernement du Québec for equipment rental in remote regions. In the case of rolling stock purchased through a government financial assistance program, "depreciation" and "investment interest" costs shown in the government schedule are not eligible;

- contract labour costs;
- gross salaries and employee benefits normally paid to employees hired specifically to carry out the eligible work, or to regular employees assigned to carry out the same work, provided that these costs do not exceed those specified in the *Construction Decree*, and that the Secretary-Treasurer certifies in writing that they have been incurred for the sole purpose of implementing the project in question;
- transportation of goods (including packaging and insurance) and the workers from elsewhere assigned to carry out the eligible work, from a port or airport facility to their final destination;
- soil or material testing during the work;
- net taxes applicable to direct costs.

#### Indirect Costs

- professional services required for eligible projects, subject to the regulations applicable to in-house costs, as stipulated for direct costs;
- consultations on technical requirements for the projects, project design costs, and plans and specifications;
- external auditor when requested by the Minister, for the preparation of audit reports related to claims;
- soil or material testing prior to the commencement of the work;
- temporary and permanent financing costs, including interest on interim financing and brokerage fees;
- net taxes applicable to indirect costs;
- management of the Program, including responsibility for the implementation and debt financing of the projects, that is to say 6.3% of the above-mentioned direct and indirect costs for rolling stock projects, and 8.3% of these same costs for other projects. These costs include all internal KRG costs other than those indicated above.

In order to be reimbursed, the eligible direct and indirect costs must have been incurred and paid, and supporting documents must be available for audit purposes. In cases where the work is performed in-house by a Northern village for a predetermined amount, the supporting documents must show the predetermined amount based on a detailed estimate of only the above-mentioned cost categories applicable to in-house projects.

#### **2.3.5 Ineligible Costs**

The following costs are not eligible:

- labour costs related to the design, monitoring or technical inspection of projects, supervision of the workers, and the performance of the work itself, if these costs relate to the normal work hours of regular KRG employees;
- office furniture and equipment that is not integrated into an infrastructure, a building or any other fixed structure;
- costs that were not approved before they were incurred;
- maintenance and operating costs of infrastructure, buildings and other fixed structures, as well as rolling stock;
- legal fees and extrajudicial costs stemming from eligible interventions;
- training costs;
- costs covered under warranty;
- costs related to a change or addition to a project that was not approved beforehand by an administrative act of the KRG and included in the project file; and
- costs for pilot projects.
- costs of closing abandoned or orphan landfill sites;
- costs related to the Salluit project covered by Amendment No. 1 to the ISURRUUTIIT-3 Program Agreement (namely the construction of a bypass road and a bridge that is an integral part of it);
- the portion of the Québec sales tax (QST) that is refunded to the beneficiary and any other cost eligible for a refund.

#### **2.4 Concerning Financial Assistance**

The financial assistance to be paid covers 100% of the eligible costs of eligible projects, and corresponds to actual payments that the KRG is required to make on capital expenses and interest on long-term loans it secures to finance the projects and manage the Program. As well, refinancing costs are reimbursed when the invoice is submitted to the Minister. Wherever another

organization, whether governmental or other, contributes to the payment of the costs of an eligible project under the Program, the financial assistance paid will be reduced accordingly.

### **3.0 ADMINISTRATIVE AND TECHNICAL REQUIREMENTS**

#### **3.1 Administrative Requirements**

The KRG will report to the Minister on its management using the format and documents indicated and approved by the Minister.

#### **3.2 Technical Requirements**

The technical requirements applicable to the projects will be prepared by the KRG and approved by the Minister.

### **4.0 PROJECT MONITORING AND CLAIMS**

Financial assistance is paid upon submission by the KRG of a claim indicating the expenses incurred and paid in connection with the implementation of eligible work. Claims shall be accompanied by the documents requested by the Minister, showing that the expenses claimed were incurred and paid for the eligible work.

The KRG shall submit its expense claims to the Minister on the form prescribed for this purpose. These claims shall be accompanied by the report of an independent external auditor, which will have to certify the compliance and accuracy of the amounts claimed, and compliance with the obligations under the Agreement concerning the Management of the ISURRUUTIIT-4 Program. Moreover, the KRG shall complete the *Attestation du respect des dispositions législatives relatives à la gestion contractuelle* form (Attestation of compliance with the legislative provisions relating to contractual management). The external auditor shall also express an opinion on the compliance of the information recorded by the KRG on this form.

### **5.0 AUDIT**

The KRG shall keep appropriate and detailed accounts and records on every project it implements under this Program. These accounts and records shall be made available within a reasonable period of time after receipt of notice from the Minister.

The accounts and records related to the implementation of a project under this Program shall be held for at least three years after completion of the work, subject to other applicable legal provisions.

