Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund
Grant Agreement

(Sint Maarten Airport Terminal Reconstruction Project)

between

SINT MAARTEN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as administrator of Sint Maarten: Hurricane Irma Reconstruction, Recovery
and Resilience Trust Fund
AGREEMENT dated as of the Signature Date, entered into between SINT MAARTEN ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("IBRD" or "World Bank"), acting as administrator of the Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund.

RECOGNIZING, this Agreement, including its schedules and appendix, is not an international treaty and will not be registered as a treaty under Article 102 of the United Nations Charter.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project, through the National Recovery Program Bureau, and cause the Project to be carried out by Princess Juliana International Airport Operating Company N.V. ("PJIAE"), the Project Implementing Entity, in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement, and the Project Agreement.
Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient a grant in an amount not to exceed seventy-two million Dollars (USD 72,000,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund ("Trust Fund") for which the World Bank receives periodic contributions from the Donor to the Trust Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the Trust Fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The Recipient has taken or permitted to be taken any action that would prevent, or interfere with, the Project Implementing Entity’s performance of its obligations under the Project Agreement.

(b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.

(c) IBRD or the International Development Association ("IDA") has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent,
corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(d) As a result of events that have occurred after the date of this Agreement, an extraordinary situation has arisen that makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.

(e) (i) The agreement (“Co-financing Agreement”) between the Recipient, the Project Implementing Entity, and the European Investment Bank (“Co-financier”) providing for financing in an amount equivalent to fifty million Dollars (USD 50,000,000) (“Co-financing”) to assist in financing the Project, has failed to become effective by October 1, 2019, or such later date as the World Bank has established by notice to the Recipient; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under this Agreement.

(ii) (A) The right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement, or (B) the Co-financing has become due and payable prior to its agreed maturity; provided however that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that (1) such suspension, cancellation, termination or pre-maturing was not caused by the failure of the Recipient or the Project Implementing Entity to perform any of its obligations under the Co-financing Agreement, and (2) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under this Agreement.

(f) (i) The Recipient’s financing in an amount equivalent to seven million Dollars (USD 7,000,000) (“Counterpart Funds”) to assist in financing the Project has failed to become effective or otherwise available by October 1, 2019, or such later date as the World Bank has established by notice to the Recipient; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under this Agreement.

(ii) The right to withdraw the proceeds of the Counterpart Funds, as may be relevant, has been suspended, canceled or terminated in whole or
in part; provided however that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that (A) such suspension, cancellation, termination or prematuring, as may be relevant, was not caused by the failure of the Project Implementing Entity to perform any of its obligations under an agreement relating to the Counterpart Funds, and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under this Agreement.

(g) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred that would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to it showing that:

(a) the execution and delivery of this Agreement and Project Agreement, on behalf of the Recipient and the Project Implementing Entity, respectively, have been duly authorized or ratified by all necessary governmental and corporate action, as the case may be, on behalf of the respective parties;

(b) a Subsidiary Agreement is executed by the Recipient and the Project Implementing Entity, acceptable by the World Bank, in accordance with Section I.B of Schedule 2 to this Agreement;

(c) the Recipient and Project Implementing Entity have adopted an Operations Manual satisfactory to the World Bank;

(d) the Co-financing Agreement between the Recipient, Project Implementing Entity, and the Co-financier has been duly executed and delivered by all relevant parties; and

(e) if the World Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the World Bank at the date of the Project Agreement, has undergone no material adverse change after such date.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) and (b), the Recipient and Project Implementing Entity shall each furnish to the World Bank an
opinion or opinions satisfactory to the World Bank, or counsel(s) acceptable to the World Bank, or if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient and of the Project Implementing Entity, showing, on behalf of the respective party, that the agreements referred to in Section 5.01 (a) and (b) above, as relevant to that respective party, have been duly authorized by, and executed and delivered on behalf of, that respective party and are legally binding upon it.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred that would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of General Affairs.

6.02. For purposes of Section 7.01 of the Standard Conditions, the Recipient’s address is:

Soualiga Road #1
Pond Island, Great Bay
Sint Maarten
6.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the World Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the World Bank’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) or 64145 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

SINT MAARTEN

By

Authorized Representative

Name: Silveria E. Jacobs
Title: Prime Minister, Minister of General Affairs
Date: December 9, 2019

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as administrator of the Sint Maarten: Hurricane Reconstruction, Recovery and Resilience Trust Fund

By

Authorized Representative

Name: Tahseen Sayed Khan
Title: Caribbean Country Management, Latin America and the Caribbean Region
Date: December 9, 2019
SCHEDULE 1

Project Description

The objective of the Project is to restore the passenger capacity of Princess Juliana International Airport to pre-Hurricane Irma levels with improved resilience towards hurricanes.

The Project consists of the following components:

Component 1: Reconstruction of the Princess Julianna International Airport ("PJIA") terminal facilities.

Provision of support for the reconstruction of the PJIA terminal facilities to restore airport function and to improve its resilience to hurricanes, including PJIA’s terminal reconstruction, consisting of terminal facility restoration and equipment reinstallation, including, inter alia, passenger boarding bridges, entrance doors, dry walls, furniture and counters, electrical and information technology systems, baggage handling system, security installations, and firefighting facilities.

Component 2: Capacity Building of and Project Management by the Project Implementing Entity.

Provision of: (a) support to the Project Implementing Entity on Project implementation, management, and monitoring and evaluation, including in respect to the environmental, social and fiduciary aspects of the Project; and (b) capacity building activities to the Project Implementing Entity to improve airport resilience and air traffic safety.

Component 3: Capacity Building of and Project Management by the Recipient.

Provision of support to the Recipient and its agencies on matters of Project management and on capacity building in areas including airport governance and air traffic regulation, determined based on needs assessed during Project implementation.

Component 4: Support of PJIAE Operations.

Provision of support to the operations of the PJIAE through the financing of Select PJIAE Operating Expenditures.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. Without limitation to the provisions of Article II of the Standard Conditions and except as the World Bank otherwise agrees, the Recipient shall, as relevant, maintain throughout Project implementation, with composition, resources, terms of reference and functions acceptable to the World Bank, the National Recovery Program Bureau ("NRPB"):

   (a) to be responsible for the implementation of the Recipient’s National Recovery and Resilience Plan and specifically to manage the program of projects financed by the Trust Fund, including: (i) overseeing the implementation of the work plans approved by the Program Steering Committee; (ii) coordinating with line ministries, utilities and relevant stakeholders; (iii) managing the NRPB personnel; (iv) reporting to the Minister of General Affairs; (v) day-to-day monitoring of the overall program portfolio, including financial commitment and disbursement, and identifying and addressing gaps in implementation; and (vi) carrying out reconstruction functions required for sound program management; and

   (b) in respect to the Project, to be responsible for the overall Project management, monitoring and reporting, and for the implementation of Component 3 of the Project.

2. (a) For the purposes of carrying out the Project, by no later than October 1, 2019, the Recipient shall cause the Project Implementing Entity to include in its proposed annual budget an amount equivalent to seven million Dollars (USD 7,000,000) as Counterpart Funds for the Project.

   (b) Without limitation to the provisions of paragraph (a) above, the Recipient shall cause the Project Implementing Entity to furnish to the World Bank, on a semesterly basis, beginning October 1, 2019, or on such other date acceptable to the World Bank, until the completion of the Project, a financing plan, and evidence of the availability of the minimum Counterpart Funds required for the execution of the Project during the corresponding period, as the allocation of such funds for each such period may be amended from time to time with the agreement of the World Bank, all of which shall be subject to the acceptance of the World Bank.
3. The Recipient shall provide, or cause the Project Implementing Entity to provide, as promptly as needed, funds, facilities, adequate staffing with appropriate qualifications and terms of reference, and other resources: (a) required for the successful implementation of the Project; and (b) necessary or appropriate to enable the Project Implementing Entity to perform its obligations under the Project Agreement and the Subsidiary Agreement.

4. The Recipient shall cause the Project Implementing Entity to perform all obligations of the Project Implementing Entity set forth in the Project Agreement and the Subsidiary Agreement in accordance with the provisions of the said agreements, and not to take or to permit to be taken any action that would prevent or interfere with such performance; such obligations shall include:

(a) carrying out the technical aspects of Components 1, 2, and 4 of the Project, including, as relevant, the preparation of technical designs and procurement bidding documents, supervision of civil works, and management of contracts; and

(b) carrying out the Project monitoring, evaluation and reporting for Components 1, 2 and 4 of the Project.

5. For the purpose of carrying out Component 4 of the Project:

(a) the Recipient shall provide, or cause the Project Implementing Entity to provide, evidence of the Project Implementing Entity’s earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and debt service, during each applicable calendar quarter period for which financing under Component 4 is requested, so as to establish and enable verification of, to the satisfaction of the World Bank, the Select PJIAE Operating Expenditures eligible for financing under the Project; and

(b) the provision of financing of Select PJIAE Operating Expenditures shall cover the period beginning October 31, 2019, or the date of the World Bank’s notice to the Recipient confirming the Recipient’s and the Project Implementing Entity’s fulfillment of the conditions set forth in Section III.B.1(b) of this Schedule 2, whichever date is later, until the date of completion of the terminal reconstruction works under Component 1 of the Project, as the basis for such completion is defined in the Operations Manual, and which shall be no later than the Closing Date for the purposes of Component 4.

6. The Recipient shall not, and shall cause the Project Implementing Entity not to, assign, amend, abrogate or waive the Operations Manual, or permit any of its provisions to be assigned, amended, abrogated or waived without obtaining the prior written approval of the World Bank.
B. Subsidiary Agreement

1. To facilitate the carrying out of Components 1, 2 and 4 of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank, which shall include the following:

(a) the Recipient’s undertaking to make the necessary proceeds of the Grant available to the Project Implementing Entity;

(b) the financing amount;

(c) reasonable repayment terms and conditions of the financing made available under the Subsidiary Agreement, if the Recipient intends to make any of the proceeds of the Grant available to the Project Implementing Entity, in which case the loan terms will be not less favorable than those extended under the Co-financing Agreement;

(d) the Recipient’s right to protect its interests and those of the World Bank, including the right to:

(i) suspend or terminate the Project Implementing Entity’s right to use the proceeds of the financing, or obtain a refund of all or any part of the amount of the financing then withdrawn, upon the Project Implementing Entity’s failure to perform any of its obligations under the Grant Agreement; and

(ii) require the Project Implementing Entity to (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project, and (B) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements so audited to the Recipient and the World Bank; and

(e) the Project Implementing Entity’s undertaking to, inter alia:

(i) make available the Counterpart Funds, and furnish the related financing plans and evidence, in accordance with Section I.A.2 of this Schedule 2;
(ii) maintain, at all times during the execution and until completion of the Project, responsibilities, structure and functions satisfactory to the World Bank and with staff in adequate numbers and with adequate qualifications, for the purpose of carrying out its responsibilities under the Project;

(iii) carry out, and ensure the carrying out of, the Project activities in compliance with the safeguards, fiduciary and technical requirements applicable to the Project, including ensuring that all contractors of the Project expressly agree to comply with the said requirements, all in accordance with the provisions of this Agreement, the Project Agreement, and the Operations Manual; and

(iv) carry out all relevant Project activities financed in whole or in part by the proceeds of the Grant in accordance with the provisions of the Anti-Corruption Guidelines.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Environmental and Social Standards.

1. The Recipient shall ensure, and cause the Project Implementing Entity to ensure in respect to Components 1, 2 and 4 of the Project, that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the World Bank.

2. Without limitation upon paragraph 1 above, the Recipient shall ensure, and cause the Project Implementing Entity to ensure in respect to Components 1, 2 and 4 of the Project, that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the World Bank. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

(a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

(b) sufficient funds are available to cover the costs of implementing the ESCP;

(c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
(d) the ESCP or any provision thereof, is not amended, revised or waived, except as the World Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall, and shall cause the Project Implementing Entity to:

(a) take all measures necessary on its part to collect, compile, and furnish to the World Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the World Bank, information on the status of compliance with the ESCP and any management tools and instruments referred to therein, all such reports in form and substance acceptable to the World Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) promptly notify the World Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, explosions, spills, and any workplace accidents that result in death, serious or multiple injury, pollution, or any violent labor unrest or dispute between the Recipient or the Project Implementing Entity or security forces (assigned to protect the Project) and local communities, any case of gender-based violence and violence against minors, or any incidents in or related to international waterways or disputed areas, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall, and shall cause the Project Implementing Entity to, maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the World Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the World Bank.
D. Operations Manual

1. The Recipient shall prepare and maintain, and ensure that the Project Implementing Entity prepares and maintains in respect of Components 1, 2 and 4 of the Project, throughout Project implementation, an Operations Manual in substance, form, and manner acceptable to the World Bank.

2. The Recipient shall carry out, and ensure the Project is carried out, in accordance with the Operations Manual, which shall consist of different schedules setting forth rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project. The Operations Manual shall include, inter alia, provisions on the following:

   (a) the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;

   (b) for Component 4 of the Project, the detailed bases, as deemed acceptable by the World Bank, for determining (i) the Project Implementing Entity’s EBITDA and debt service, (ii) the Project Implementing Entity’s operating expenditures eligible for financing under Component 4, and (iii) the method for calculating Select PJIAE Operating Expenditures;

   (c) the parties responsible for carrying out the respective parts of the Project;

   (d) the detailed qualification and selection criteria and processes, as relevant, for the respective parts of the Project;

   (e) the environmental and social safeguard arrangements, including the ESCP and the grievance redress mechanism, for the Project;

   (f) the financial management arrangements for the Project;

   (g) the coordination arrangements between the relevant parties for the day-to-day execution of the Project; and

   (h) Project monitoring, evaluation, reporting, and communications.

3. The Operations Manual may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially and adversely affect the implementation of the Project; the Operations Manual may only be amended in consultation with, and after approval of, the World Bank. In case of any conflict between the terms of the Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.
E. Annual Work Plan and Budget

1. The Recipient shall:

   (a) prepare and furnish, and cause the Project Implementing Entity to prepare and furnish, to the World Bank not later than October 1st of each year during the implementation of the Project, a proposed Annual Work Plan and Budget containing: (i) all activities to be carried out under the Project during the following year; (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and (iii) any training activities that may be required under the Project including (A) the type of training, (B) the purpose of the training, and (C) the cost of the training;

   (b) afford the World Bank a reasonable opportunity to exchange views with the Recipient and Project Implementing Entity on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the World Bank; and

   (c) not make or allow to be made any change to the approved Annual Work Plan and Budget without the World Bank’s prior written approval.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the World Bank not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table.
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services,</td>
<td>50,000,000</td>
<td>50% until eligible expenditures incurred under Component 1 reaches $100,000,000</td>
</tr>
<tr>
<td>under Component 1 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services,</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training, and Operating Costs under Component 2 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services,</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training, and Operating Costs under Component 3 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Select PJIAE Operating Expenditures under Component 4 of the Project</td>
<td>21,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>72,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   
   (a) for payments made prior to the Signature Date; and
   
   (b) under Category 1 and Category 4 until the Recipient provides appropriate confirmation, acceptable to the World Bank, that:
(i) all conditions precedent to the effectiveness of the Co-financing Agreement or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;

(ii) the Recipient and the Donor have mutually concluded that measures agreed upon in support of the corporate governance of PJIA have been satisfactorily adopted; and

(iii) the Project Implementing Entity has appointed at least one individual qualified to fulfill the environmental and social safeguard requirements for the Project, in accordance with Sections I.A.3 and I.C.2 (c) of Schedule 2 to this Agreement.

2. The Closing Date is December 31, 2022.
APPENDIX

Definitions


2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


4. “Co-financing” means an amount of fifty million Dollars (USD 50,000,000) to be provided by the Co-financier to assist in the financing of the Project.

5. “Co-financing Agreement” means the agreement to be entered into between the Recipient, PJIAE, and the Co-financier providing for the Co-financing.

6. “Counterpart Funds” means an amount of seven million Dollars (USD 7,000,000) to be provided by PJIAE to assist in the financing of the Project.


8. “EBITDA” means earnings before interest, taxes, depreciation and amortization.

9. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Project Implementing Entity’s environmental and social commitment plan, acceptable to the World Bank, dated July 18, 2019, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.


11. “National Recovery and Resilience Plan” means the plan pursuant to Article 2 of the Temporary National Ordinance on the National Recovery Program Bureau, enacted for the purpose of listing and prioritizing the short-, medium- and long-term needs for the recovery of Sint Maarten and to give an indication of the funds, costs and investments required to meet these needs.

12. “National Recovery Program Bureau” or “NRPB” means the bureau of the same name established by law through the “Temporary National Ordinance on the National Recovery Program Bureau” as an independent administrative agency of the Recipient, for the purpose of managing the Trust Fund and implementing projects financed under the Trust Fund, or any legal successor or successors thereto.

13. “Operating Costs” means reasonable incremental expenses directly incurred on account of the implementation, management, and monitoring of the Project, including office supplies, publication of procurement notices, office and equipment maintenance and repair, communication, translation and interpretation, travel and supervision costs, banking charges, audits, as relevant, and other miscellaneous expenses directly associated with the Project and agreed to by the World Bank.

14. “Operations Manual” means the operations manual for the Project as defined in Section I.D of Schedule 2 to this Agreement.

15. “Princess Juliana International Airport Holding Company N.V.” or “PJIAH” means the company also known as Princess Juliana International Airport Houdstermaatschappij N.V., which is incorporated under the laws of Sint Maarten, is wholly owned by the Government of Sint Maarten, and is the owner of the Princess Juliana International Airport Operating Company N.V.

16. “Princess Juliana International Airport Operating Company N.V.” or “PJIAE” means the company also known as Princess Juliana International Airport Exploitatiemaatschappij N.V., which is incorporated under the laws of Sint Maarten, is wholly owned by the Princess Juliana International Airport Holding Company N.V., and serves as the operator and concessionaire of the Princess Juliana International Airport and its facilities.

18. "Program Steering Committee" means the steering committee established as the governance body of the Trust Fund, consisting of a representative of the Recipient, a representative from the Netherlands Ministry of Interior and Kingdom Relations, and a representative of the World Bank, that serves to: (a) endorse strategic priorities and annual work plans and budgets of the Trust Fund financed program; and (b) monitor the program's annual progress.

19. "Project Agreement" means the agreement between the World Bank and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time; "Project Agreement" includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.

20. "Project Implementing Entity" means Princess Juliana International Airport Operating Company N.V.

21. "Select PJIAE Operating Expenditures" means expenditures incurred by the Project Implementing Entity for the salaries and benefits of PJIA personnel and other non-procurable operating expenditures including utilities (all of which shall be deemed reasonable and agreed upon by the World Bank and set forth in the Operations Manual) in excess of the Project Implementing Entity's financing capacity, determined based on the Project Implementing Entity's EBITDA minus debt service, as each such factor shall be established and verified to the satisfaction of the World Bank pursuant to Section I.A.5(a) of Schedule 2 to this Agreement, for the period specified in Section I.A.5(b) of Schedule 2 to this Agreement.

22. "Signature Date" means the later of the two dates on which the Recipient and the World Bank signed this Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.


24. "Training" means reasonable expenditures (excluding costs of consultants' services) incurred for Project-related capacity building activities, including study tours, training courses, seminars, workshops and other training activities; such costs include costs associated with space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, and other training related miscellaneous costs, all based on an Annual Work Plan and Budget agreed with the World Bank.