Project Agreement

(West and Central Africa Air Transport Safety and Security Program (Phase II-B))

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BENIN CIVIL AVIATION AUTHORITY
(ANAC, Agence Nationale de l’Aviation Civile)

Dated April 3, 2009
PROJECT AGREEMENT

Agreement dated April 3, 2009, between BENIN CIVIL AVIATION AUTHORITY (“ANAC”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) (“Project Agreement”) in connection with the Financing Agreement of same date between the Republic of Benin (“Recipient”) and the Association (“Financing Agreement”). The ANAC and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The ANAC declares its commitment to the objectives of the Project. To this end, the ANAC shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the ANAC shall otherwise agree, the ANAC shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.
ARTICLE III – REPRESENTATIVE; ADDRESSES

3.01. The ANAC’s representative is its Director General.

3.02. The Association’s Address is:

For the Association:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

3.03. The ANAC’s Address is:

Agence Nationale de l’Aviation Civile (ANAC)

Route de l’aéroport
01 BP 305 Cotonou
Tel.: (229) 21 30 92 17
Fax.: (229) 21 30 45 71
anacaero@leland.bj
www.anacero.bj
AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:           /s/ Joseph Baah-Dwomoh
              Authorized Representative

BENIN CIVIL AVIATION AUTHORITY, ANAC

By:           /s/ Aristide de Souza
              Authorized Representative
SCHEDULE

Execution of the Project

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

The ANAC shall implement the Project in accordance with the general provisions of Schedule 2 to the Financing Agreement, the Project Implementation Manual, and Administrative, Financial and Accounting Manual, and the Subsidiary Agreement.

B. Manuals

1. Except as the Association shall otherwise agree, the ANAC shall implement the Project in accordance with the Project Implementation Manual, and Administrative, Financial, and Accounting Manual; and except as the Association shall otherwise agree, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of any inconsistency between the provisions of the Administrative, Financial, and Accounting, and Project Implementation Manuals and those of the Financing Agreement, the latter shall prevail.

C. Anti-Corruption

The ANAC shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

The ANAC shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of the indicators set forth in Schedule 2 to the Financing Agreement. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Recipient and to the Association no later than 45 days after the end of the period covered by such report, together with each other information concerning said audited financial statements as such auditors or the Association may reasonably request from time to time.
B. **Financial Management, Financial Reports and Audits**

1. The ANAC shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the ANAC, including the operations, resources and expenditures related to the Project.

2. The ANAC shall have its financial statements referred to above, audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one (1) Fiscal Year. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

**Section III. Procurement**

All goods, works and services required for the implementation of the Project shall be procured in accordance with the provisions of Schedule 2 to the Financing Agreement.

**Section IV. Other Undertakings**

The ANAC shall:

1. Submit to the Association, from the Effective Date onward and throughout Project implementation, reports containing information pertaining to rate of illegal objects, as defined by the ICAO, seized at Cotonou airport from passengers by airlines security employed by airline companies, private airline security personnel employed by the airport authorities and/or the airport police. This submission to the Bank should be done on a quarterly basis, starting with the quarter ending on March 31st, 2009.

2. Provide to the Association independently audited financial reports on its activities, no later than six months after the end of each fiscal year. To this end, the audit reports shall include statements of revenues collected and the detail of the expenditures incurred, with details of the percentage of expenditures used for safety and security activities.

3. Submit to the Association, no later than three months after each annual airport crisis-exercise, a report describing the results of each exercise carried out at Cotonou airport, as well as qualified expert’s comments on the report from qualified consultants who observed the exercises. First crisis exercise is to be carried out by no later than December 31st, 2009 at Cotonou airport.

4. Submit to the Association for analysis, mid-term and end of Project review of the implementation of ICAO’s safety and security audits recommendations. Such review will be carried out by independent Consultants, with Terms of reference and qualifications
acceptable to the Association, and will take place and be communicated to the Association no later than 18 months after the Effective Date and six (6) months prior to the Closing Date.

5. Maintain staff within the UCP in adequate numbers and with qualifications and experience satisfactory to the Association for the duration of the Project.