CONFORMED COPY

GRANT NUMBER H214-CM

Project Agreement

(West and Central Africa Air Transport Safety and Security Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CAMEROON CIVIL AVIATION AUTHORITY

Dated June 2, 2006
AGREEMENT

AGREEMENT dated June 2, 2006, between CAMEROON CIVIL AVIATION AUTHORITY ("Project Implementing Entity") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") ("Project Agreement") in connection with the Financing Agreement of same date between the Republic of Cameroon ("Recipient") and the Association ("Financing Agreement"). The Project Implementing Entity 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 Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity 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 the Project.

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

3.01. The Project Implementing Entity’s representative is its Director General.

3.02. The Association’s Address is:

For the Association:

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

Cable: INTBAFRAD Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
Washington, D.C.

3.03. The Project Implementing Entity’s Address is:

Cameroon Civil Aviation Authority
P. O. Box 6998
Yaoundé
Republic of Cameroon

Cable: 237-230-33-62
AGREED at Yaoundé, Republic of Cameroon, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Ali Khadr
    Authorized Representative

CAMEROON CIVIL AVIATION AUTHORITY

By: /s/ Sama Juma Ignatius
    Authorized Representative
Section I. **Subsidiary Financing, Institutional and Other Arrangements**

The Project Implementing Entity shall implement the Project in accordance with the general provisions of Schedule 2 to the Financing Agreement, the Project Implementation Plan, the Administrative, Financial and Accounting Manual, the Resettlement Action Plans and the Subsidiary Agreement.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

The Project Implementing Entity 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 quarter, 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.

B. **Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity 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 Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity 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 Project Implementing Entity shall:

1. Submit to the Association, from the Effective Date onward and throughout Project implementation, quarterly reports, in form and substance satisfactory to the Association, containing information relating to the rate of seizure of illegal objects (as defined by the ICAO) from passengers by airline security personnel.

2. Appoint a financial auditor, with qualifications, experience and terms of reference satisfactory to the Association, no later than 30 days after the Effective Date.

3. Submit to the Association, prior to the signing of contracts for works under Part 2 (d) of the Project, a social and environmental impact study, in form and substance satisfactory to the Association, relating to implementation of activities under said Part of the Project.

4. Submit to the Association, no later than three (3) months after the end of each Fiscal Year, a report, in form and substance satisfactory to the Association, on the use of the Recipient’s Airport Security Fee.

5. Submit to the Association no later than six (6) months after the end of each Fiscal Year, a report, in form and substance satisfactory to the Association, relating to the finances of the Project Implementing Entity over that Fiscal Year. This report shall include statements of revenues collected and expenditures incurred and shall detail the percentage of expenditures used for safety and security activities.

6. Submit to the Association, no later than four (4) months after each of the Recipient’s annual airport-crisis simulation exercises, a report, in form and substance satisfactory to the Association, describing the results of such exercise, as well as ICAO-certified experts’ comments on said report.

7. Submit to the Association, no later than 18 months after the Effective Date and six (6) months prior to the Closing Date, ICAO safety and security audit reports.