
GRANT NUMBER TF0B7571

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

**(Additional Financing for
Sint Maarten Airport Terminal Reconstruction Project)**

between

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

and

**PRINCESS JULIANA INTERNATIONAL AIRPORT
OPERATING COMPANY N.V.**

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as administrator of Sint Maarten: Hurricane Irma Reconstruction, Recovery and Resilience Trust Fund, and PRINCESS JULIANA INTERNATIONAL AIRPORT OPERATING COMPANY N.V. (“Project Implementing Entity”) (“Project Agreement”) in connection with the Grant Agreement (“Grant Agreement”) of the Signature Date between SINT MAARTEN (“Recipient”) and the World Bank, concerning Grant Number TF0B7571. The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard Conditions (as defined in the Appendix to the Grant 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 Grant Agreement or the Standard Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions and the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is its Chief Executive Officer.
- 3.02. For purposes of Section IV of the Schedule to this Agreement:

- (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 1-202-477-6391

64145(MCI)

- 3.03. For purposes of Section IV of the Schedule to this Agreement, the Project Implementing Entity's address is:

Princess Juliana International Airport Operating Company N.V.
Welfare Road 68
Cold Bay
Sint Maarten

AGREED as of the later of the two dates written below.

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

By

Lilia Burunciuc

Authorized Representative

Name: Lilia Burunciuc

Title: Country Director

Date: 17-Feb-2022

**PRINCESS JULIANA INTERNATIONAL
AIRPORT OPERATING COMPANY N.V.**

By

Mr. Brian Mingo

Authorized Representative

Name: Mr. Brian Mingo

Title: CEO PJIAE

Date: 15-Apr-2022

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation 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 Project Implementing Entity shall:
 - (a) provide throughout Project implementation, as promptly as needed, funds, facilities, adequate staffing with appropriate qualifications and terms of reference, and other resources, all acceptable to the World Bank, that are (i) required for the successful implementation, management, monitoring and evaluation of Components 1, 2 and 4 of the Project, and (ii) necessary or appropriate to enable the Project Implementing Entity to perform its obligations under this Agreement and the Subsidiary Agreement, all in accordance with terms and conditions set forth in the Grant Agreement;
 - (b) maintain, at all times during the execution and until completion of Components 1, 2 and 4 of the Project, internal control procedures relating to the processing of Project transactions to the satisfaction of the World Bank;
 - (c) perform all obligations of the Project Implementing Entity set forth in the Grant Agreement, this Agreement and the Subsidiary Agreement, and carry out Components 1, 2 and 4 of the Project in accordance with the provisions of the said agreements and the Operations Manual, and not take or permit to be taken any action which would prevent or interfere with such performance; such obligations shall include (i) 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 (ii) carrying out monitoring, evaluation and reporting for Components 1, 2 and 4 of the Project; and
 - (d) for the purposes of Component 4 of the Project, and pursuant to Section I.A.5 of the Grant Agreement, provide all information deemed necessary by the World Bank to evidence the Project Implementing Entity's EBITDA and debt service, during each applicable calendar quarter period for which the Project Implementing Entity requests financing under Component 4 of the Project, to establish and enable verification of, to the

satisfaction of the World Bank, the Select PJIAE Operating Expenditures eligible for financing under the Project.

2. (a) For the purposes of carrying out the Project, the Project Implementing Entity shall include in its Project budget an amount equivalent to seven million Dollars (USD 7,000,000) as Counterpart Funds for the Project, and shall make the Counterpart Funds, in USD, available for the Project.
 - (b) Without limitation to the provisions of paragraph (a) above, the Project Implementing Entity shall furnish to the World Bank, through the Recipient, 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 to the acceptance of the World Bank.
3. The Project Implementing Entity shall not take or concur with any action that would have the effect of amending, suspending, assigning, abrogating or waiving this Agreement, the Subsidiary Agreement or the Operations Manual, or any provisions thereof, without 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 Project Implementing Entity shall:
 - (a) enter into the Subsidiary Agreement with the Recipient; and
 - (b) 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.
2. Except as the World Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Environmental and Social Standards.

1. The Project Implementing Entity shall carry out Components 1, 2, and 4 of the Project in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall implement Components 1, 2, and 4 of the Project in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall 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 Bank shall otherwise agree in writing and the Project Implementing Entity or Recipient has, thereafter, disclosed the revised ESCP.
3. In case of any inconsistencies between the ESCP and the provisions of the Grant Agreement, the provisions of the Grant Agreement shall prevail.
4. The Project Implementing Entity shall:
 - (a) take all measures necessary on its part to collect, compile, and furnish to the World Bank and the Recipient 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 and the Recipient 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 Project Implementing Entity shall 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 Components 1, 2, and 4 of the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

D. Operations Manual

1. The Project Implementing Entity shall prepare and maintain, throughout Project implementation, the portion of the Operations Manual for Components 1, 2, and 4 of the Project, in substance, form, and manner acceptable to the World Bank, 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, including, *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 safeguards 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.

2. 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 Project Implementing Entity shall:
 - (a) support the Recipient in preparing and furnishing 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 Components 1, 2, and 4 of 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 said Components of the Project including (A) the type of training, (B) the purpose of the training, and (C) the cost of the training;
 - (b) support the Recipient in affording the World Bank a reasonable opportunity to exchange views with the Project Implementing Entity and the Recipient on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that Components 1, 2, and 4 of the Project are 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.

F. Anti-Corruption

1. The Project Implementing Entity shall ensure that Components 1, 2, and 4 of the Project activities financed in whole or in part by the Grant proceeds are carried out in accordance with the provisions of the Anti-Corruption Guidelines.
2. The Project Implementing Entity shall ensure all contractors financed by the Grant financing have expressly agreed to comply with the provisions of the Anti-Corruption Guidelines, including the World Bank's right to inspect all accounts, records and other documents relating to Components 1, 2 and 4 of the Project that are required to be maintained pursuant to the Grant Agreement and to have them audited by, or on behalf of, the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Project Implementing Entity shall monitor and evaluate the progress of Components 1, 2, and 4 of the Project and prepare, and provide to the World Bank, through the Recipient, Project Reports for Components 1, 2, and 4 in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester and shall be furnished to the Recipient with the understanding that the report shall be furnished by the Recipient to the World Bank by not later than one (1) month after the end of the period covered by such report.
2. The Project Implementing Entity shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished, through the Recipient, to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; 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 World Bank, 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 ensure, for the purposes of Section 2.07 of the Standard Conditions, that interim unaudited financial reports for the Project are prepared and furnished, through the Recipient, to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Project Implementing Entity shall have the Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished, through the Recipient, to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works and services required for Components 1, 2, and 4 of the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.

Section IV. Other Undertakings

Notices and Requests. Any notice (or request) pursuant to the Project Agreement shall be in writing. Such notice (or request) shall be deemed to have been duly given (or made) when it has been delivered by hand or by mail, telex or facsimile (or, if permitted under the Project Agreement, by other electronic means) to the party to which such notice (or request) is directed (“Addressee”), at the address specified in the Project Agreement for the purpose (or at such other address as the Addressee shall have designated by notice to the party giving such notice or making such request) (“Address”). Deliveries made by facsimile transmission shall also be confirmed by mail.

APPENDIX

DEFINITION

1. “Project Implementing Entity’s Representative” means the representative designated by the Project Implementing Entity in the Project Agreement or authorized in writing by such representative for the purpose of taking any action required or permitted to be taken pursuant to the Project Agreement, and execute any documents required or permitted to be executed pursuant to the Project Agreement on behalf of the Project Implementing Entity.