

CONFORMED COPY

CREDIT NUMBER 2924 BEN

Pac Project Agreement
(Transport Sector Investment Program)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

PORT AUTONOME DE COTONOU

Dated December 6, 1996

CREDIT NUMBER 2924 BEN

PROJECT AGREEMENT

AGREEMENT, dated December 6, 1996 between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and PORT AUTONOME DE COTONOU (PAC):

WHEREAS: (A) by the Development Credit Agreement of even date herewith between the Republic of Benin (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to three million three hundred fifty thousand Special Drawing Rights (SDR 3,350,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that PAC agrees to undertake such obligations toward the Association as are set forth in this Agreement;

(B) by a subsidiary agreement to be entered into between the Borrower and PAC (the PAC Subsidiary Agreement), part of the proceeds of the credit provided for under the Development Credit Agreement (the Credit) will be made available to PAC on the terms and conditions set forth in the PAC Subsidiary Agreement; and

WHEREAS: (C) PAC, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement, the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) PAC declares its commitment to the objectives of Part A of the Project as set forth in Schedule 2 to the Development Credit Agreement and, to this end, shall carry out Part A of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and port-management practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required therefor.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower, the Association and PAC shall otherwise agree, PAC shall carry out Part A of the Project in accordance with the Implementation Program set forth in Schedule 4 to the Development Credit Agreement.

Section 2.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services, required for Part A of the Project and to be financed out of the proceeds of the Credit made available to PAC by the Borrower, shall be governed by the provisions of Schedule 3 to the Development Credit Agreement.

Section 2.03. (a) PAC shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of this Project Agreement and Part A of the Project.

(b) For the purposes of Section 9.07 of the General Conditions, and without limitations thereto, PAC shall:

- (i) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of Part A of the Project; and
- (ii) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

Section 2.04. PAC shall duly perform all its obligations under the PAC Subsidiary Agreement. Except as the Association shall otherwise agree, PAC shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the PAC Subsidiary Agreement or any provision thereof.

Section 2.05. (a) PAC shall, at the request of the Association, exchange views with the Association with regard to the progress of Part A of the Project, the performance of its obligations under this Agreement and under the PAC Subsidiary Agreement, and other matters relating to the purposes of the Credit.

(b) PAC shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of Part A of the Project, the accomplishment of the purposes of the Credit, or the performance by PAC of its obligations under this Agreement and under the PAC Subsidiary Agreement.

ARTICLE III

Management and Operations of PAC

Section 3.01. PAC shall carry out its operations and conduct its affairs in accordance with sound administrative, financial, technical and port-management practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. PAC shall at all times operate and maintain its plant, machinery, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound engineering, financial and port-management practices.

Section 3.03. PAC shall take out and maintain with responsible insurers, or make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

ARTICLE IV

Financial Covenants

Section 4.01. (a) PAC shall maintain records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition.

(b) PAC shall:

- (i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) audited for each fiscal year, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case not later than six (6) months after the end of each such year: (A) certified copies of its financial statements for such year as so audited, and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Association shall from time to time reasonably request.

ARTICLE V

Effective Date; Termination; Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the Development Credit Agreement becomes effective.

Section 5.02. (a) This Agreement and all obligations of the Association and of PAC thereunder shall terminate on the earlier of the following two dates:

- (i) the date on which the Development Credit Agreement shall terminate in accordance with its terms; or
- (ii) the date fifteen years after the date of this Agreement.

(b) If the Development Credit Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify PAC of this event.

Section 5.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or fax to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Association:

International Development Association
1818 H Street, N.W.

Washington, D.C. 20433
United States of America

Cable address:

INDEVAS
Washington, D.C.

Telex:

248423 (MCI) or
64145 (MCI)

For PAC:

Port Autonome de Cotonou
Avenue de la Marina
B.P. 927
Cotonou
Benin

Telex:

5004 Dirport

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of PAC or under the Development Credit Agreement by PAC on behalf of the Borrower, may be taken or executed by the Director General of PAC or such other person or persons as PAC he shall have designated in writing, and PAC shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counter-parts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Jean-Louis Sarbib

Regional Vice President
Africa

PORT AUTONOME DE COTONOU

By /s/ Lucien Tounoukouin

Authorized Representative

