

CONFORMED COPY

LOAN NUMBERS: 7099-DOM, 7100-GRD, 7101-SC, 7102-SLU, 7103-SV
CREDIT NUMBERS: 3610-DOM, 3611-GRD, 3612-SLU, 3613-SV

Regional Project Agreement

(Emergency Recovery Project)

between the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and the

ORGANIZATION OF EASTERN CARIBBEAN STATES

Dated April 19, 2002

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REGIONAL PROJECT AGREEMENT

AGREEMENT, dated April 19, 2002, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and the ORGANIZATION OF

EASTERN CARIBBEAN STATES (the Regional Secretariat).

WHEREAS (A) by individual and separate loan agreements of even date herewith (the Loan Agreements) between the Commonwealth of Dominica, Grenada, the Federation of St. Christopher and Nevis, St. Lucia and St. Vincent and the Grenadines, respectively (the Regional States) and the Bank, the Bank has agreed to make available to each of the Regional States various amounts on the terms and conditions set forth in the respective Loan Agreements but only on condition that the Regional Secretariat agree to undertake such obligations toward the Bank as are set forth in this Agreement through the Directorate of Civil Aviation of the Regional Secretariat (the Regional Directorate);

(B) by individual and separate development credit agreements of even date herewith (the Development Credit Agreements) between each of the Regional States with the exception of the Federation of St. Christopher and Nevis, and the International Development Association (the Association), the Association has agreed to make available to each of the Regional States with the exception of St Christopher and Nevis various amounts on the terms and conditions set forth in the respective Development Credit Agreements but only on condition that the Regional Secretariat agree to undertake such obligations toward the Bank as are set forth in this Agreement through the Regional Directorate;

(C) by an agreement (the Regional Subsidiary Agreement) of even date herewith between the Regional States and the Regional Secretariat, part of the proceeds of the Loans provided for under the Loan Agreements and of the Credits provided for under the Development Credit Agreements will be made available to the Regional Directorate on the terms and conditions set forth in said Regional Subsidiary Agreement in order for the Regional Directorate to carry out Part C of each of the Projects (such parts hereinafter collectively referred to as the Regional Project); and

WHEREAS the Regional Secretariat, in consideration of the Bank's entering into the Loan Agreements and the Development Credit Agreements with the Regional States has agreed to undertake the obligations set forth in this Agreement through the Regional Directorate;

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 Loan Agreements, the Development Credit Agreements, the Regional Subsidiary Agreement, the Preamble to this Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution

Section 2.01. The Regional Secretariat declares its commitment to the objectives of the Projects as set forth in Schedule 2 to the Loan Agreements, and, to this end, shall carry out the Regional Project through the Regional Directorate with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, environment, aviation, airport, maritime, seaport, and security practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Regional Project.

Section 2.02. The Regional Directorate shall carry out the Regional Project under the supervision of the Regional States and in coordination with the PCU of each of the Regional States.

Section 2.03. The Regional Directorate shall, not later than three months after the Effective Date, prepare on behalf of the Regional States and furnish to each Regional State for onward transmission to the Bank an annual plan, satisfactory to the Regional States and the Bank, describing the activities to be carried out during the first twelve months of implementation of the Regional Project and the relevant budgetary allocations.

Section 2.04. Except as the Bank shall otherwise agree, procurement of the consultants' services required for the Regional Project and to be financed out of the proceeds of the Loans and the Credits shall be governed by the provisions of Section II of Schedule 4 to the Loan Agreements.

Section 2.05. The Regional Directorate shall duly perform all its obligations under the Regional Subsidiary Agreement. Except as the Bank shall otherwise agree, the Regional Directorate shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Regional Subsidiary Agreement or any provision thereof.

Section 2.06. (a) The Regional Directorate shall, at the request of the Bank, exchange views with the Bank with regard to progress of the Regional Project, the performance of its obligations under this Agreement and under the Regional Subsidiary Agreement, and other matters relating to the purposes of the Loans and the Credits.

(b) The Regional Directorate shall promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of the Projects, the accomplishment of the purposes of the Loans or the Credits, or the performance by the Regional Directorate of its obligations under this Agreement and under the Regional Subsidiary Agreement.

Section 2.07. (a) The Regional Directorate shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06 and 9.07, of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, respectively) in respect of the Regional Project Agreement and the Regional Project.

(b) For the purposes of Section 9.07 of the General Conditions and without

limitation thereto, the Regional Directorate shall:

- (i) prepare, on the basis of guidelines acceptable to the Bank, and furnish to each Regional State for onward transmittal to the Bank not later than six (6) months before the Closing Date or such later date as may be agreed for this purpose between the Bank and the Regional Directorate, (A) a report, of such scope and in such detail as the Bank shall reasonably request, on the initial progress of the Regional Project, its cost and the benefits derived or to be derived from it, the performance by the Regional Directorate, the Regional States and the Bank of their respective obligations under the Regional Subsidiary Agreement, the Loan Agreements and the Development Credit Agreements and the accomplishment of the purposes of the Loans and the Credits; and (B) a plan designed to ensure the continued achievement of the objectives of the Regional Project; and
- (ii) afford the Bank a reasonable opportunity to exchange views with the Regional Directorate on said report and plan.

ARTICLE III

Management and Operations of the Regional Directorate

Section 3.01. The Regional Directorate shall carry on its operations and conduct its affairs in accordance with sound administrative and financial practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. The Regional Directorate shall take out and maintain with responsible insurers, or make other provision satisfactory to the Bank for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Regional Directorate shall maintain a financial management system including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Regional Project.

(b) The Regional Directorate shall submit the documentation referred to in the preceding paragraph to the PCU of each Regional State on a monthly basis and otherwise cooperate fully with each Regional State so as to allow each Regional State to comply with such Regional State's obligations under Article IV of the relevant Loan Agreement.

ARTICLE V

Effective Date; Termination;

Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which all the Loan Agreements shall have become effective.

Section 5.02. This Agreement and all obligations of the Bank and of the Regional Secretariat, including the Regional Directorate thereunder shall terminate on the date on which all Loan Agreements shall have terminated in accordance with their terms, and the Bank shall promptly notify the Regional Directorate thereof.

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, telex or facsimile 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. Deliveries made by facsimile transmission shall also be confirmed by mail. telegram, cable, telex or radiogram 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 not The addresses so specified are:

For the Bank:

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

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

For the Regional Secretariat:

Directorate of Civil Aviation of the Organization of Eastern
Caribbean States
P. O. Box 1130
St. John's, Antigua

Facsimile: (268) 462-0082

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 the Regional Secretariat, or by the Regional Secretariat on behalf of the Regional States under the Loan Agreements or the Development Credit Agreements, may be taken or executed by the Director of the Regional Directorate or such other person or persons as the Director shall designate in writing, and the Regional Directorate shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, 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 BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ David de Ferranti

Regional Vice President
Latin America and the Caribbean

ORGANIZATION OF THE EASTERN CARIBBEAN STATES

By /s/ Herald Wilson

Authorized Representative

