

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF051308 TUN

Global Environment Facility Trust Fund Grant Agreement

(Protected Areas Management Project)

between

REPUBLIC OF TUNISIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility**

Dated July 18, 2002

GEF TRUST FUND GRANT NUMBER TF051308 TUN

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT, dated July 18, 2002, between REPUBLIC OF TUNISIA (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91-5 of March 14, 1991 of the

Executive Directors of the Bank, established the GEF to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) following the restructuring of the GEF, such arrangements continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank which, *inter alia*, established the GEF Trust Fund and appointed the Bank as trustee of the GEF Trust Fund (Resolution No. 94-2);

(C) the second replenishment of the GEF Trust Fund was approved on the basis set forth in Resolution No. 98-2 of July 14, 1998, of the Executive Directors of the Bank (Resolution No. 98-2);

(D) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested assistance from the resources of the GEF Trust Fund for funding the Project, and said request having been approved in accordance with the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility approved under Resolution 94-2, and to be funded from contributions to the GEF Trust Fund under Resolution No. 98-2, which may include funds carried over from the first replenishment of the GEF Trust Fund under Resolution No. 94-2; and

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:- 29 -

ARTICLE I

General Conditions; Definitions

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and the first sentence of Section 4.09;
- (v) Article V;
- (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;

- (vii) Section 8.01 (b);
- (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
- (ix) Sections 10.01, 10.03 and 10.04;
- (x) Article XI; and
- (xi) Sections 12.01 (c), 12.03 and 12.04.

(b) The General Conditions shall be modified as follows:

- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: ‘the special drawing Fund in accordance with its term “Special Drawing Rights” and the symbol “SDR” mean rights as valued by the International Monetary Articles of Agreement’;
- (ii) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;
- (iii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
- (iv) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
- (v) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
- (vi) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;
- (vii) the second sentence of Section 5.01 is modified to read: “Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations”; and
- (viii) a new subparagraph is added after subparagraph (j) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF.”

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth; and the following additional terms have the following meanings:

(a) “ANPE” means the Recipient’s National Agency for Environmental Protection (Agence Nationale de Protection de l’Environnement), established and operating pursuant to the Recipient’s Law No. 88-91 dated August 2, 1988, as the same may be amended from time to time;

(b) “CD” means the Development Committee (Comité de Développement) referred to in paragraph 5 of Schedule 4 to this Agreement;

(c) “CRDA” means a Regional Agricultural Development Commission (Commissariat Régional au Développement Agricole) established and operating pursuant to the Recipient’s Law No. 89-44 dated March 8, 1989 and the related implementation decrees;

(d) “DGBGTH” means General Directorate of Dams and Major Hydrological Works (Direction Générale des Barrages et des Grand Travaux Hydrauliques) within the Ministry of Agriculture, established and operating under the Recipient’s Decree No. 87-779 dated May 21, 1987, as amended by the Recipient’s Decree No. 90-670 dated April 25, 1990 and Decree No. 2001-419 dated February 13, 2001, as the same may be amended from time to time.

(e) “DGF” means the Directorate General of Forests (Direction Générale des Forêts) established and operating under the Recipient’s Decree No. 87-779 dated May 21, 1987, as amended by the Recipient’s Decree No. 90-670 dated April 25, 1990 and Decree No. 2001-419 dated February 13, 2001, as the same may be amended from time to time;

(f) “DGFIOP” means the General Directorate of Finance and Investments (Direction Générale du Financement, des Investissements et des Organismes Professionnels) within the Ministry of Agriculture, established and operating under the Recipient’s Decree No. 87-779 dated May 21, 1987, as amended by the Recipient’s Decree No. 90-670 dated April 25, 1990 and Decree No. 2001-419 dated February 13, 2001, as the same may be amended from time to time;

(g) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of this Agreement;

(h) “MELP” means the Recipient’s Ministry of Environment and Land Use Planning (Ministère de l’Environnement et de l’Aménagement du Territoire), established and operating under the Recipient’s Decree No. 93-303 dated February 1, 1993, as the same may be amended from time to time;

(i) “Midterm Review” means the midterm review referred to in paragraph 7 of Schedule 4 to this Agreement;

(j) “Ministry of Agriculture” or “MOA” means the Recipient’s Ministry of Agriculture (Ministère de l’Agriculture), established and operating under the Recipient’s Decree No. 87-799 dated May 21, 1987, as amended by the Recipient’s Decree No. 88-111 dated June 9, 1988 and Decree No. 2001-419 dated February 13, 2001, as the same may be amended from time

to time;

(k) “PMU” means the Project Management Unit (Unité de Gestion du Projet) referred to in paragraph 3 of Schedule 4 to this Agreement;

(l) “PMT” means the Park Management Team (Equipe de Gestion du Projet) referred to in paragraph 4 of Schedule 4 to this Agreement;

(m) “Process Framework” means the framework, satisfactory to the Bank, prepared by the Recipient, dated March 13, 2002, incorporated in the Project Implementation Manual and setting forth the principles governing the participation of the local communities in biodiversity conservation and resource management in the Project National Parks;

(n) “Project Implementation Agencies” means PSC, PMU, CRDAs, PMTs and CDs;

(o) “Project Implementation Manual” means the manual referred to in paragraph 1 of Schedule 4 to this Agreement;

(p) “Project National Parks” means the Ichkeul, Bouhedma and the Jebel National Parks;

(q) “Protected Areas” means the areas of the Project National Parks consisting of about 180,000 hectares of unique and distinctly different ecosystems of wetland, arid-mountain/pseudo savanna and desert;

(r) “PSC” means the Project Steering Committee (Comité de Pilotage) referred to in paragraph 2 of Schedule 4 to this Agreement; and

(s) “Special Account” means the account referred to in Section 2.02 (b) of this Agreement;

ARTICLE II

The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to four million two hundred thousand Special Drawing Rights (SDR 4,200,000).

Section 2.02. (a) The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the carrying out of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

(b) The Recipient may, for the purposes of the Project, open and maintain in Dollars a special deposit account in its Central Bank on terms and conditions satisfactory to the Bank.

Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be August 31, 2008 or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through the Project Implementing Agencies with due diligence and efficiency and in conformity with the Project Implementation Manual and appropriate environmental, financial and administrative practices and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Bank shall otherwise agree, the Recipient shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Bank, a plan for the future operation of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the Recipient on said plan.

ARTICLE IV

Financial Conditions

Section 4.01. (a) The Recipient shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Recipient responsible for carrying out the Project or any part thereof.

(b) The Recipient shall:

(i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year

audited, in
consistently applied, by
Bank;

accordance with appropriate auditing principles
independent auditors acceptable to the

(6) (ii) furnish to the Bank as soon as available, but in any case not later than six
months after the end of each such year, the report of such audit
by said auditors, of such scope and in such detail as the Bank
shall have reasonably requested; and

(iii) furnish to the Bank such other information concerning said records and
accounts and the audit thereof as the Bank shall from time to time
reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund
Grant Account were made on the basis of statements of expenditure, the Recipient shall:

this (i) maintain or cause to be maintained, in accordance with paragraph (a) of
Section, records and accounts reflecting such expenditures;

for the (ii) retain, until at least one year after the Bank has received the audit report
Fund Grant Account fiscal year in which the last withdrawal from the GEF Trust
invoices, bills, receipts and other was made, all records (contracts, orders,
expenditures; and documents) evidencing such

that such (iii) enable the Bank's representatives to examine such records; and ensure
referred to in paragraph (b) records and accounts are included in the annual audit
of this Section and that the report of
such audit contains a separate opinion by said auditors as to whether the statements of
expenditure submitted during such fiscal year, together with the procedures and internal controls
involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Recipient shall prepare and furnish to the Bank a Financial
Monitoring Report, in form and substance satisfactory to the Bank, which:

(i) sets forth sources and uses of funds for the Project, both cumulatively
and for the period covered by said report, showing separately funds
provided under the GEF Trust Fund Grant, and explains variances
between the actual and planned uses of such funds;

(ii) describes physical progress in Project implementation, both
cumulatively and for the period covered by said report, and explains
variances between the actual and planned Project implementation; and

(iii) sets forth the status of procurement under the Project, as at the end of the
period covered by said report.

(b) The first FMR shall be furnished to the Bank not later than forty five (45) days
after the end of the first calendar semester after the Effective Date, and shall cover the period

from the incurrence of the first expenditure under the Project through the end of such first calendar semester; thereafter, each FMR shall be furnished to the Bank not later than forty five (45) days after each subsequent calendar semester, and shall cover such calendar semester.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

- (a) the Project Implementation Manual has been amended so as to affect materially and adversely the carrying out of the Project; and
- (b) a situation might arise which shall make it improbable that the Project or any significant part thereof will be carried out.

ARTICLE VI

Termination

Section 6.01. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.02. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations hereunder.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Minister of International Cooperation and Foreign Investment of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of International Cooperation
and Foreign Investment
98, Avenue Mohamed V
1002 Tunis-Le Belvedere
Republic of Tunisia

Cable address:	Telex:	Facsimile
MCIIE	18060	216-71- 799069

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

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.

REPUBLIC OF TUNISIA

By /s/ Hatem Atallah

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as an implementing agency of the Global Environment Facility

By /s/ Jean Louis Sarbib

Regional Vice President
Middle East and North Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the GEF Trust Fund Grant, the allocation of the amounts of the GEF Trust Fund Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	1,000,000	60%
(2) Goods	850,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for items procured locally
(3) Consultants' services and training	2,000,000	96% of local expenditures for services of consultants domiciled within the territory of the Borrower and 88 % of foreign expenditures for services of other consultants' services and training
(4) Unallocated	350,000	
TOTAL	4,200,000	

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient; and

(b) the term “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures for: (a) works under contracts costing less than US\$500,000 equivalent each; (b) goods under contracts costing less than US\$400,000 equivalent each; (c) services of consulting firms under contracts costing less than US\$100,000 equivalent each; (d) services of individual consultants under contracts costing less than US\$50,000 equivalent each; and (e) training, all under such terms and conditions as the Bank

shall specify by notice to the Recipient.

5. If the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Bank, refund to the Bank for deposit into the GEF Trust Fund Grant Account, an amount equal to the amount so used or the portion thereof as specified by the Bank.

SCHEDULE 2

Description of the Project

The objectives of the Project are to improve the protection of biodiversity and the management of the Ichkeul, Bouhedma and Jebel National Parks, for the purposes of conserving biodiversity of global importance and thereby contributing to the overall welfare and well-being of the populations living in and around the Project National Parks.

The Project consists of the following Parts, subject to such modifications thereof as the Recipient and the Bank may agree upon from time to time to achieve such objectives.

Part A: Institutional Strengthening

1. Reinforcement of the institutional capacity of DGF, the CRDAs, MELP (including their regional directorates) and other Project Implementation Agencies in the sustainable management of the Protected Areas, including:

(a) the provision of technical advisory services (including specialized monitoring and evaluation consultant services) for the strengthening of the capacity of PMU to monitor and supervise the Project; and the acquisition of equipment and software required for financial management required under the Project;

(b) the carrying out of a training program directed at personnel to be responsible for the day-to-day management of the Project National Parks as well as staff of the relevant Ministries involved in the administration of the parks; the training of about 100 persons, outside the administration, closely involved in the management of the Protected Areas, including personnel of local associations and tourism operators; the utilization of specialized training consultant services for the provision of national and/or international trainers required for the training program; on-the-job training; training of trainers; and diploma training;

(c) the carrying out of technical and scientific studies, including:

(i) research studies comprising four baseline studies common to all three Project National Parks and involving: (A) the monitoring of the dynamics of vegetation and the establishment of phytoecological maps, (B) preparation of an inventory and monitoring of reptile populations, (C) inventory and monitoring of bird populations, and (D) inventory and monitoring of the mammal populations; and

(ii) specific research studies, including in the case of: (A) the Ichkeul National Park, the mathematical modeling governing the water resources

management aspects of the Ichkeul lake, and the provision of support to strengthen ANPE and DGBGTH through research activities on the biological, hydrological and physical parameters of the lake, (B) Bouhedma National Park, the carrying out of two research studies on the ecology and dynamics of the *acacia radiana* and on the ecology of the parasitic insects that prey on the *acacia radiana*, and (C) the carrying out of research studies into the biology and ecology of the *gazelle leptoceros*, and the ecology and behavior of the *bustard houbara*; and

(d) the establishment for the Project National Parks of a monitoring and evaluation system (*Systeme de Suivi Evaluation des Parcs Nationaux*) located in DGF.

Part B: Protected Areas Management

1. (a) Management and restoration of the ecosystems in the Project National Parks in order to protect the globally important flora and fauna.

(b) Assisting in the development of ecotourism activities.

(c) Establishment, with the local populations, of community development plans compatible with the objectives of sustainable biodiversity conservation.

(d) (i) Provision in the Ichkeul National Park of necessary infrastructural improvements such as buildings, and improvements in trails and routes in the park.

(ii) The acquisition of equipment and vehicles for the park.

(iii) The development of a participatory approach to involve local populations in the management plan of the park.

(iv) The establishment of a PMT, the provision of technical advisory services for the facilitation and strengthening of all community development activities envisaged for the park.

(v) The management and restoration of Ichkeul National Park's ecosystem, including the carrying out of programs to: (A) support the direct management of the park, train and equip ten ecoguards, elaborate a program of internal planning and regulation, with zoning and sectoral aspects, carry out a preliminary public awareness campaign to provide the local population with information about, and facilitate communal participation in, relevant aspects of the Project; (B) rehabilitate the ecosystem of lake Ichkeul including the establishment of a permanent system to monitor the additional flows of fresh water into the lake, mechanize the existing sluice which governs the flow of water between the lakes of Ichkeul and Bizerte, provide maps and bathymetric control, dredge the Ichkeul lake, establish an observatory for monitoring fish production; (C) rehabilitate marshes in the park; and (D) study the vegetation of the mountain (*Jebel*) ecosystem.

- (e) (i) The provision in the Bouhedma National Park of necessary infrastructural improvements such as buildings, improvements in trails and routes in the park, lodgings for park agents and an entry post with a deep well.
- (ii) The acquisition of equipment and vehicles for the park.
- (iii) The development of a participatory approach to involve the local populations in the management plan of the park, the strengthening of the capacities of the Sidi Bouzid CRDA, the establishment of a PMT, and the provision of technical advisory services for the facilitation and strengthening of all community development activities envisaged for the park.
- (iv) The management and restoration of the Bouhedma National Park's ecosystem, including the carrying out of programs to: (A) support the direct management of the park, acquire a motorized corps of six ecoguards, elaborate a program of internal planning and regulation, with zoning and sectoral aspects, (B) rehabilitate the *Acacia raddiana pseudo-savanna*, (C) improve the protection of the wild animals in the park, (D) support the reintroduction of large animals into the park, and the transfer of addax to a more suitable park, and effect the sale of ostriches not currently in their natural habitat.
- (f) (i) The provision for the Jebel National Park of improved infrastructure, including the establishment of a base at the port of entry in the north of the park with the necessary lodgings, offices, deep wells and a fuelling station.
- (ii) Strengthening of the capacity of the Kebili CRDA to manage work at field level, including the provision for the CRDA of necessary infrastructure and the acquisition of vehicles and equipment.
- (iii) The development of a participatory approach to involve the local populations in the management plan of the park, and the establishment of a PMT.
- (iv) The carrying out of a program to: (A) protect the white gazelle (*Gazella leptoceros*), (B) protect the vegetative cover of the Grand Erg, (C) facilitate the reintroduction of large animals such as the sahelian antelopes into the park, (D) revise the boundaries of the park with a view to extending its limits, and (E) support the construction of an ecomuseum at Douz.

Part C: Public Awareness

Building public support for biodiversity conservation at the local park and governorate levels, including: (i) the preparation of action plans directed at priority groups such as local and regional governments, site visitors, and local school children to raise their awareness of the importance of, and opportunities for, biodiversity conservation within the Project National Parks;

(ii) the utilization of the mass media, formal and informal education facilities, linkages with local NGOs, schools, tourism agencies and other possible delivery mechanisms to promote public understanding about biodiversity resources; and (iii) the identification for each one of the Project National Parks flagship species or themes to form the basis of all public awareness campaigns as well as research, monitoring and conservation activities.

* * *

The Project is expected to be completed by February 28, 2008.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Good and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) and the following provisions of Section I of this Schedule.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:

(a) Grouping of contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost US\$100,000 equivalent or more each.

(b) Preference for domestically manufactured goods

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Recipient.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Except in the cases provided for below, goods and works shall be procured under contracts awarded on the basis of paragraphs 3.3 and 3.4 of the guidelines and paragraphs (b), (c), and (d) below.

(b) Any prospective bidder from a country eligible under the guidelines who propose to provide goods produced in or supplied from any such country shall be eligible to bid for such contracts. The same shall be applied for goods and works required for the carrying out of civil works under the project. Prospective bidders shall be allowed to submit two envelopes provided the two envelopes are opened at the same time.

(c) Prospective bidders shall be allowed a minimum of 30 days from the date of the invitation to bid to submit bids and the invitation to bid shall so specify.

(d) The contract shall be awarded to the bidder having submitted the lowest evaluated responsive bid.

(e) Government-owned enterprises in the Recipient's country may participate only if they can establish that they: (i) are legally and financially autonomous, and (ii) operate under commercial law. No dependent administrative agency of the Recipient or sub-Recipient shall be permitted to bid or submit a proposal for the procurement of goods or works under the Project.

(f) No domestic preference shall apply.

2. International or National Shopping

Goods estimated to cost less than US\$30,000 equivalent per contract, up to an aggregate amount not to exceed US\$150,000 equivalent, may be procured in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines under contracts awarded on the basis of: (i) national shopping procedures, if available locally; or (ii) international shopping procedures, if not available locally.

3. Community Participation

Goods and works required for components of the Project to be carried out by CRDAs or other local implementing units shall be procured in accordance with procedures acceptable to the Bank.

4. Procurement of Small Works

Works estimated to cost less than US\$30,000 equivalent per contract, up to an aggregate amount not to exceed US\$150,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, a cost estimate template, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for works estimated to cost the equivalent of US\$500,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

(b) With respect to each contract for goods estimated to cost the equivalent of US\$400,000 or more, the following procedures shall apply:

- (i) prior to the selection of any supplier or execution of any contract under shopping procedures, the Recipient shall provide to the Bank a report on the comparison and evaluation of quotations received;
- (ii) prior to the execution of any contract procured under direct contracting or shopping procedures, the Recipient shall provide to the Bank a copy of the specifications and the draft contract; and
- (iii) the procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 and January 1999 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under

contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services estimated to cost less than US\$200,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Quality-based Selection

Services for technical studies under Part B of the Project shall be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. Selection Based on Consultants' Qualifications

Services for studies under Parts A, B and C of the Project estimated to cost less than US\$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

3. Single Source Selection

Services for studies under Part B of the Project which are estimated to cost less than US\$100,000 equivalent per contract, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

4. Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of US\$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants

estimated to cost the equivalent of US\$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. (a) The Recipient shall for purposes of the Project maintain a Project Implementation Manual, in form and substance satisfactory to the Bank, setting out details of all procedures, guidelines, timetables and criteria required for the Project, including the financial, administrative and operational arrangements relating to the carrying out of the Project and including the Process Framework.

(b) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and, except as the Bank shall otherwise agree, the Recipient shall not amend or waive any provision of the Project Implementation Manual if, in the opinion of the Bank, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

2. (a) The Recipient shall no later than October 31, 2002 establish and thereafter maintain a Project Steering Committee in a form and with functions, membership, staffing and resources satisfactory to the Bank. The membership of PSC shall include representatives of the following Ministries: (i) Environment and Land Use Planning; (ii) Agriculture; (iii) International Cooperation and Foreign Investment; (iv) Finance; (v) Economic Development; and (vi) Tourism, Leisure and Artisanat.

(b) PSC shall be responsible for: (i) defining the overall strategy and guidelines to be applied to the execution of the Project; (ii) overseeing the overall execution of the Project; (iii) the evaluation and approval of Project work programs and annual budgets; and (iv) the adherence to the Process Framework for community participation designed for the Project.

3. (a) The Recipient shall no later than December 31, 2002 establish and thereafter maintain a Project Management Unit in a form and with functions, membership, staffing and resources satisfactory to the Bank.

(b) PMU shall be responsible for: (i) the coordination of Project activities; (ii) ensuring the soundness of the technical, scientific, financial aspects of Project implementation; (iii) the coordination and coherence of actions proposed under the Project by the Park Management Teams; (iv) the submission to PSC for approval of Project annual work programs and budgets; (v) the provision to the Project Implementation Agencies of the necessary technical, human and financial resources; and (vi) the observance by the Project Implementing Agencies of the procedures designed for the Project.

4. (a) The Recipient shall no later than March 31, 2003 establish and thereafter maintain for each Project National Park in a form and with functions, membership, staffing and resources satisfactory to the Bank a Park Management Team. Each PMT shall be responsible for the planning and programming of Project activities for the Project National Park.

(b) A PMT shall: (i) include representatives of the MOA, MELP and the Ministry of Tourism, Leisure and Artisanat; and (ii) work in close collaboration with representatives of the local population through selected members of the Development Committees. A PMT shall be headed by the Park conservator of the respective Project National Park. The Park conservator shall, under the authority conferred on him by the respective CRDA, be responsible for the day-to-day organization and execution of activities in the Project National Park.

5. (a) The Recipient shall no later than June 30, 2003, establish and thereafter maintain for each Project National Park in a form and with functions, membership, staffing and resources satisfactory to the Bank a Development Committee.

(b) Each CD shall be the principal base-level institution representing the population in or around the respective Project National Park which is set up to ensure: (i) the participation of the communities in the identification of local development measures within a social-economic space; (ii) the provision of all relevant information on the needs of the population represented by the CD; and (iii) the mobilization and organization of the population to facilitate their participation in the development of the park management plans.

(c) Each PMT shall be responsible for the planning and programming of Project activities for the Project National Park.

6. The Recipient shall maintain PMU within DGF in a form and with functions, staffing and resources satisfactory to the Bank.

7. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 6 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof; and

(b) no later than December 31, 2005, carry out jointly with the Bank a midterm review of the progress made in carrying out the Project. The Midterm Review shall cover: (i) an assessment of: (A) progress made in carrying out work programs prepared for the Project, (B) training provided under the Project, (C) procurement under the Project, (D) the extent to which actions described in the indicators set out in Schedule 6 to this Agreement have been carried out, and (E) plans made or proposed for updating said indicators; (ii) a review of the state of maintenance of any works or improvements carried out in any of the National Project Parks; and (iii) such other matters relating to the carrying out of the Project as the Recipient or the Bank shall reasonably request.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:
 - (a) the term “eligible Categories” means Categories (1), (2) and (3) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;
 - (b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and
 - (c) the term “Authorized Allocation” means an amount equivalent to \$350,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.
3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:
 - (a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount or amounts as the Recipient shall have requested.
 - (b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.
 - (ii) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.
4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.
5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be

required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Trust Fund Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

SCHEDULE 6

Performance Indicators

The performance indicators for the Project shall include the following said indicators being subject to modifications by agreement between the Recipient and the Bank:

A. Technical Bio-indicators

1. Ichkeul National Park

(a) 2 stands of *Potamogeton* are reestablished in Year 6.

(b) index of land-cover of *sirpaies* increases by 50% in Year 6.

(c) average frequency index of geese increases by 20% (comparison of ref. average of Years 2000-02 to average of Years 2006-2008).

2. Bou-Hedma National Park

(a) Populations of gazelles dorcas 150, mhoor 40 and oryx 150 distributed in all protected zones of the park by Year 6

(b) Abundance index of *Acacia raddiana* > 2m increases in Bou-Hedma and its surrounding by Year 6

3. Jebel National Park

Abundance index of sand gazelles and dorcas gazelles increases by 15% in Jebel and its surroundings by Year 6.

B. Improvement of socioeconomic conditions of local populations

1. percentage of activities of the Annual Work Program that are entrusted to local communities;

2. the participatory process for the management plans and annual work programs through the Local Council for Development (CLD) and the Park Management Team (PMT) is functional;

3. number of tourism concessions in each of the three parks;

4. overall improvement in management effectiveness as defined by the IUCN scorecard;
and

5. creation of permanent deputy conservators in the three parks in charge of community and public relations.

