

CONFORMED COPY

GRANT NUMBER TF022519

Japanese Grant Agreement

(Technical Assistance for the Preparation
of the Second Employment and Training Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

as Administrator of Grant Funds
provided by JAPAN

Dated May 25, 1993

GRANT NUMBER TF022519

JAPANESE GRANT AGREEMENT

AGREEMENT, dated May 25, 1993, between the REPUBLIC OF TUNISIA (the Recipient) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as Administrator (the Administrator) of grant funds provided by JAPAN (Japan).

WHEREAS (A) pursuant to a letter agreement dated July 30, 1990 between Japan and the Bank and International Development Association (the Association), Japan has requested the Bank and the Association, and the Bank and the Association have agreed, to administer grant funds to be made available by Japan for the financing of certain programs and projects supported by the Bank and the Association, as the case may be, in accordance with the provisions of such letter agreement;

WHEREAS (B) Japan has agreed to make available to the Recipient a grant out of said grant funds (the Grant) to finance the cost of carrying out the technical assistance described in the Schedule to this Agreement (the Technical Assistance) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

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), (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), 9.05, 9.06, 9.07 and 9.08;
- (ix) Sections 10.01, 10.03 and 10.04; and
- (x) Article XI.

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

(i) 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 International Bank for Reconstruction and Development acting as Administrator of the Grant pursuant to the letter agreement between Japan and the Bank and the Association referred to in Recital (A) of this Agreement, except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;

- (ii) the term "Borrower," wherever used in the General Conditions, means the Recipient;
- (iii) the term "Loan Agreement," wherever used in the General Conditions, means this Agreement;
- (iv) the term "Loan," wherever used in the General Conditions, means the Grant;
- (v) the term "Loan Account," wherever used in the General Conditions, means the Grant Account, an account opened by the Administrator on its books in the name of the Recipient to which the amount of the Grant is credited;
- (vi) the term "Project," wherever used in the General Conditions, means the Technical Assistance; and
- (vii) Section 4.01 shall be modified to read:

"Withdrawals from the Grant Account shall be made in yen; provided, however, that if the expenditures to be financed out of the Grant have been paid or are payable in another currency, the Administrator shall, at the request of the Recipient, purchase such currency with the proceeds of such withdrawal."

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 terms "yen" and "¥" mean the currency of Japan.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the Grant in an

amount of sixty-one million yen (¥61,000,000).

Section 2.02. (a) Except as the Recipient and the Administrator may agree upon from time to time, the amount of the Grant may be withdrawn from the Grant Account to finance 100% of expenditures made (or, if the Administrator shall so agree, to be made) in respect of the reasonable cost of consultants' services.

(b) Notwithstanding the provisions of paragraph (a) above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

Section 2.03. The Closing Date shall be September 30, 1994 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Technical Assistance

Section 3.01. The Recipient shall, through its Ministry of Professional Training and Employment, carry out the Technical Assistance with due diligence and efficiency and in conformity with appropriate administrative, employment, financial, industrial, labor and training practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Technical Assistance.

Section 3.02. (a) Except as the Administrator shall otherwise agree, the Recipient shall employ consultants required for the Technical Assistance and to be financed out of the Grant: (i) whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Administrator; and (ii) who shall be selected in accordance with principles and procedures satisfactory to the Administrator on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines).

(b) Notwithstanding the provisions of paragraph (a) of this Section, the provisions of the Consultant Guidelines requiring prior Bank review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to contracts estimated to cost less than \$ 20,000 equivalent each. However, this exception to prior Bank review shall not apply to the terms of reference for such contracts nor to the employment of individuals, to single source selection of firms, to assignments of a critical nature as reasonably determined by the Bank and to amendments of contracts raising the contract value.

Section 3.03. (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 Technical Assistance of the departments or agencies of the Recipient responsible for carrying out the Technical Assistance or any part thereof.

(b) The Recipient shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;
 - (ii) furnish to the Administrator as soon as available, but in any case not later than four 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 Administrator shall have reasonably requested;
- and
- (iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

ARTICLE IV

Effectiveness; Termination

Section 4.01. This Agreement shall become effective upon its execution by the

parties hereto.

Section 4.02. This Agreement shall continue in effect until the Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE V

Representation

Section 5.01. 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 5.02. 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
149, Avenue de la Liberté
1002 Tunis-Belvédère
Republic of Tunisia

Telefax:

799069

Telex:

18060

For the Administrator:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT),
248423 (RCA),
64145 (WUI) or
82987 (FTCC)

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

REPUBLIC OF TUNISIA

By /s/ Mohamed Ghannouchi

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
as Administrator of the Grant

By /s/ Odin K. Knudsen

Authorized Representative
Middle East and North Africa Region

SCHEDULE

Description of Technical Assistance

The objectives of the Technical Assistance are to assist the Recipient in the preparation of a project aimed at: (a) easing the adjustment of the country's labor force to the process of privatization and industrial restructuring of enterprises; (b) increasing labor mobility through the implementation of efficiently-improved training and employment services; and (c) upgrading the work force's skills through in-company training and continuous education.

The Technical Assistance consists of the following parts, subject to such modifications thereof as the Recipient and the Administrator may agree upon from time to time to achieve such objectives:

Part A:

Carrying out of a study to analyze the impact of industrial adjustment on employment and to evaluate the cost of providing employment search assistance or retraining of employees, so as to propose measures to: (a) improve the capabilities of the vocational training sector and employment services; and (b) adapt the management and intervention instruments for the provision of employment search assistance and employment retraining.

Part B:

Carrying out, on the basis of surveys of enterprises and private training institutions, of a program to design: (a) a strategy to develop in-company training and private sector participation in training; and (b) a methodology to utilize updated basis and parameters adequate for the permanent monitoring of employment, especially in sectors with significant technological evolution.

Part C:

Provision of comparative study tours for management responsible for the vocational training system and employment services.

