Loan Agreement

(Third Education Project)

BETWEEN

REPUBLIC OF TUNISIA

AND

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

DATED AUGUST 13, 1975
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LOAN AGREEMENT

AGREEMENT, dated August 13, 1975, between REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) The Borrower has requested the Bank to assist in the financing of the Project described in Schedule 2 to this Agreement by making the Loan as hereinafter provided; and

(B) The Borrower has indicated to the Bank that it has decided, within the framework of an integrated education, to extend by 1981 to about 95% of all its fifth and sixth grades in its primary education system its program on the "Initiation aux Travaux Manuels" (hereinafter called ITM);

WHEREAS the Bank has agreed, on the basis inter alia of the foregoing, to make the Loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated March 15, 1974, with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

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

(a) "Prior Development Credit Agreements" means the agreements No. 29 TUN, dated September 17, 1962 and No. 94 TUN, dated September 16, 1966, respectively, all between the Borrower and the Association, as such agreements may be amended from time to time; and such term includes the
Development Credit Regulations No. 1 of the Association, dated June 1, 1961, as made applicable to such agreements, all agreements supplemental to the said Development Credit Agreements and all schedules to the said Development Credit Agreements;

(b) "CNFC" means the "National Center for Continuous Education" (Centre National de Formation Continue) of the Borrower located at Korba;

(c) "INSE" means the "National Institute for Educational Sciences" (Institut National des Sciences de l'Education) of the Borrower established and operating under the laws of the Borrower pursuant to Decree No. 69-238, dated July 9, 1969, as amended by Decree No. 72-275, dated September 8, 1972;

(d) "ONA" means the "National Bureau of Handicrafts" (Office National de l'Artisanat) of the Borrower established and operating under the laws of the Borrower pursuant to Law No. 59-133 of October 15, 1959;

(e) "UNFT" means the "National Union of Women of Tunisia" (Union Nationale des Femmes de Tunisie) established and operating under the laws of the Borrower pursuant to Decree No. 61-62 of January 25, 1961;

(f) "OTTEEFP" means "Bureau for Tunisian Workers Abroad, of Employment and Vocational Training" (Office des Travailleurs Tunisiens à l'Etranger, de l'Emploi et de la Formation Professionelle) an établissement public à caractère industriel et commercial established and operating under the laws of the Borrower pursuant to Law No. 67-11 of March 8, 1967, as amended by Law No. 73-8 of January 31, 1973;

(g) "ITMA" means the "Introduction to Manual Agricultural Work Program" (Initiation aux Travaux Manuels Agricoles) of the Borrower consisting of the introduction of manual agricultural training curricula in the fifth and sixth grades of the primary schools, including mainly practical work related to local farming and animal husbandry, and being part of an integrated education;

(h) "ITMI" means the "Introduction to Manual Industrial Work Program" (Initiation aux Travaux Manuels Industriels) of the Borrower which aims to introduce manual industrial training curricula in the fifth and sixth grades of the primary schools, including metalwork, woodwork, construction and electricity, and being part of a coherent integrated education program;

(i) "DSP" means the existing "Directorate of Statistics and Planning" (Direction des Statistiques et de la Planification) established within the Borrower's Ministry of Education;
(j) "PIU" means the "Project Implementation Unit" to be established by the Borrower as provided in paragraph (b)(i) of Section 3.01 of this Agreement.

(k) "Project Director" means the director of PIU referred to in paragraph (b)(iii) of Section 3.01 of this Agreement.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to eight million nine hundred thousand dollars ($8,900,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and the Bank, 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 Project and to be financed out of the proceeds of the Loan.

Section 2.03. Except as the Bank shall otherwise agree, the goods, works and services (other than consultants' services) for the Project to be financed out of the proceeds of the Loan, shall be procured in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.04. The Closing Date shall be June 30, 1980 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of eight and one-half per cent (8-1/2%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, educational and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall:

(i) without limitation or restriction on the generality of the provisions of paragraph (a) of this Section 3.01 of this Agreement, establish and thereafter maintain under the supervision of experienced and competent staff, in adequate numbers, within the Directorate of Primary Education within its Ministry of Education, a Project Implementation Unit to be with such powers and responsibilities as set forth in Schedule 5 to this Agreement and shall provide, promptly as needed, the funds, facilities, services, staff and other resources required to enable PIU to carry out its responsibilities. For this purpose, the Borrower shall: (A) cause PIU to call upon the services of qualified staff and any competent entities, including the Direction des Bâtiments et du Matériel of its Ministry of Education, and (B) cause such Direction to use the services of consultant architects and assign three members of its staff to supervise the physical execution of the Project.

(ii) cause PIU to collect data to measure the progress of the educational aspects of the Project and to send such data to the Bank, as soon as reasonably possible, in a form acceptable to the Bank; and

(iii) cause PIU to be headed, during the carrying out of the Project, by the Director of Primary Education of its Ministry of Education, and cause such Director to retain the services of at least two full-time qualified and experienced staff to assist him with the execution of the Project.

Section 3.02. In order to assist the Borrower in the carrying out of the Project, the Borrower shall employ experts and consultant architects whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank.
Section 3.03. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) Except as the Bank shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively for the Project.

Section 3.04. (a) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans, specifications, lists of equipment and furniture (including specifications), reports, contract documents and construction and procurement schedules for the Project, and any material modifications thereof or additions thereto, in such detail as the Bank shall reasonably request.

(b) The Borrower shall: (i) maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) enable the Bank's accredited representatives to visit the facilities and construction sites included in the Project and to examine the goods financed out of the proceeds of the Loan and any relevant records and documents; and (iii) furnish to the Bank all such information as the Bank shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

Section 3.05. (a) The Borrower shall take or cause to be taken all such action as shall be necessary to acquire prior to the start of the construction of the facilities included in the Project all such land and rights in respect of land as shall be required for the construction (and operation) of the said facilities.

(b) Without limitation or restriction on the generality of the provisions of paragraph (a) of this Section and except as the Bank shall otherwise agree, the Borrower undertakes to select all the sites for the construction of the facilities under Part A.1 and 2 of the Project in accordance with the criteria listed in Schedule 6 to this Agreement.

Section 3.06. The Borrower shall:

(a) not later than six months after the date of this Agreement, or such other date as the Bank may otherwise agree, take such measures as shall be necessary
and appropriate to coordinate the activities of OTTEFP, UNFT, ONA, its Ministry of Agriculture, its Ministry of Education, the Conseils de Gouvernorat of Medenine and Kairouan and any other agencies charged by the Borrower with the carrying out of Part C of the Project;

(b)(i) not later than six months after the date of this Agreement, or such other date as the Bank may otherwise agree, appoint an officer responsible to the Inspecteur Régional de l'Enseignement Primaire in each of Medenine and Kairouan regional centers with such powers as shall be necessary to follow the post-primary non-formal education program in each of the governorates and to ensure the coordination of the activities related thereto; and

(ii) in order to ensure the success of the post-primary non-formal education program, take such measures as shall be necessary to assign a full-time specialist in non-formal education to each of the Medenine and Kairouan regional centers included in Part C of the Project from among the beneficiaries of the fellowships included in Part D.4 of the Project at the time they finish their training.

(c) no later than two years after the date of this Agreement, or such other date as the Bank may agree, establish, in each regional center referred to under Part C of the Project, a tracer system to maintain records of the subsequent employment of the trainees of each such regional center and of their respective satellite centers referred to under Part C of the Project.

(d) no later than one year after the date of this Agreement or such other date as the Bank may agree, recruit an adequate number of qualified and experienced teacher-trainers for the Ecoles Normales to be equipped under Part B.1 of the Project, under terms and conditions of employment which shall give such teachers rank and benefits at least equivalent to those they had at the time of their recruitment.

(e) to take all such measures as may be required to ensure that ITM courses be given appropriate weight in the evaluation of trainees in the schools referred to in Part B of the Project.

Section 3.07. The Borrower shall:

(a) no later than one year after the date of this Agreement, or such other date as the Bank may agree, furnish to the Bank a detailed outline, agreed to
by the Borrower and the Bank, of each study to be carried out under Part D.1 of the Project, and thereafter carry out such studies in accordance with such outlines; and

(b) cause DSP to be, at all times, staffed with qualified and experienced personnel in adequate numbers to enable DSP to conduct its study program and other activities for which it is responsible.

Section 3.08. Without limitation or restriction on the generality of the provisions of paragraph (b) of Section 3.07 of this Agreement, the Borrower shall take all such actions as may be required to retain qualified and experienced permanent staff to fill all positions budgeted for DSP in its budget for the year 1975.

ARTICLE IV
Other Covenants

Section 4.01. (a) It is the policy of the Bank, in making loans to, or with the guarantee of, its members not to seek, in normal circumstances, special security from the member concerned but to ensure that no other external debt shall have priority over its loans in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member. To that end, if any lien shall be created on any public assets (as hereinafter defined), as security for any external debt, which will or might result in a priority for the benefit of the creditor of such external debt in the allocation, realization or distribution of foreign exchange, such lien shall, unless the Bank shall otherwise agree, ipso facto and at no cost to the Bank, equally and ratably secure the principal of, and interest and other charges on, the Loan, and the Borrower, in creating or permitting the creation of such lien, shall make express provision to that effect; provided, however, that, if for any constitutional or other legal reason such provision cannot be made with respect to any lien created on assets of any of its political or administrative subdivisions, the Borrower shall promptly and at no cost to the Bank secure the principal of, and interest and other charges on, the Loan by an equivalent lien on other public assets satisfactory to the Bank.

(b) The foregoing undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) As used in this Section, the term "public assets" means assets of the Borrower, of any political or administrative subdivision thereof and of any entity owned or controlled by, or operating for the account or benefit of, the Borrower
or any such subdivision, including gold and other foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Borrower.

Section 4.02. The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.03. The Borrower shall, no later than one year after the date of this Agreement, or such other date as the Bank may agree:

(a) establish, and thereafter maintain, within the Directorate of Primary Education of its Ministry of Education an Evaluation Unit, and provide such unit with such specialists and other staff as shall be necessary to: (i) monitor the progress, development and integration of the ITM program in collaboration with the Inspections Régionales de l’Enseignement Primaire; and (ii) develop new programs and new teaching methods for primary schools in collaboration with INSE, the CNFC, the Ecoles Normales and any other competent institutions.

(b) entrust to INSE or any other competent institutions, evaluation studies on the effectiveness of (i) the post-primary non-formal education program referred to in Part C of the Project, and (ii) the ITM polyvalent experimental program referred to under Part A of the Project; and

(c) furnish to the Bank (i) the outlines of the studies referred to in paragraph (b) above, and (ii) the results of such studies.

Section 4.04. (a) The Borrower shall cause the buildings and equipment of the schools included in the Project to be adequately maintained and shall cause all necessary renewals and repairs to be made thereto.

(b) The Borrower shall operate the educational institutions and facilities included in the Project in accordance with appropriate administrative and educational policies and practices and with due regard to economy.

ARTICLE V

Effective Date; Termination

Section 5.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 12.01(c) of the General Conditions:
(a) PIU has been established with such power and responsibilities as provided in paragraph (b)(i) of Section 3.01 of this Agreement and has started its operations.

(b) The staff referred to in paragraph (b)(iii) of Section 3.01 of this Agreement have been appointed in PIU and have assumed their duties.

Section 5.02. The date January 13, 1976, is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VI

Representative of the Borrower; Addresses

Section 6.01. The Ministre Délégé auprès du Premier Ministre chargé du Plan of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Le Ministre Délégé auprès du Premier Ministre chargé du Plan
Ministère du Plan
1 Rue de Béja
Tunis, Tunisia

Cable address:

Ministère du Plan
Tunis

For the Bank:

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.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, 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/ Amor Ardhaoui  
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Willi Wapenhans  
Director, Regional Projects Department  
Europe, Middle East and North Africa  
Regional Office
### SCHEDULE 1

**Withdrawal of the Proceeds of the Loan**

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works</td>
<td>3,000,000</td>
<td>16%</td>
</tr>
<tr>
<td>(2) Furniture, equipment and spare parts</td>
<td>4,300,000</td>
<td>100% of foreign expenditures or 95% of the ex-factory price of locally procured goods</td>
</tr>
<tr>
<td>(3) Technical assistance</td>
<td></td>
<td>100% of foreign expenditures</td>
</tr>
<tr>
<td>(a) Fellowships under Part D.4 of the Project and consultants' services other than those included in paragraph (b) of this Category and Category (4) hereof</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>(b) Consultants' services for the studies included in Part D.1(a), (b) and (c) of the Project</td>
<td>500,000</td>
<td></td>
</tr>
<tr>
<td>(4) Consultants' services under Part D.1(d) of the Project</td>
<td>300,000</td>
<td>50%</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8,900,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
2. For the purposes of this Schedule the term "foreign expenditures" means expenditures in the currency of any country other than the Borrower and for goods or services supplied from the territory of any country other than the Borrower.

3. The disbursement percentages have been calculated in compliance with the policy of the Bank that no proceeds of the Loan shall be disbursed on account of payments for taxes levied by, or in the territory of, the Borrower on goods or services, or on the importation, manufacture, procurement or supply thereof; to that end, if the amount of any such taxes levied on or in respect of any item to be financed out of the proceeds of the Loan decreases or increases, the Bank may, by notice to the Borrower, increase or decrease the disbursement percentage then applicable to such item as required to be consistent with the aforementioned policy of the Bank.

4. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of expenditures:

   (a) prior to the date of this Agreement;

   (b) in respect of Category (3) of the Allocation of the Proceeds of the Loan set forth in paragraph 1 of this Schedule unless the Borrower: (i) has filled the vacancies in DSP, as provided in Section 3.08 of this Agreement; (ii) has furnished to the Bank detailed outlines of the studies included in Part D.1(a), (b) and (c) of the Project, in accordance with the provisions of Section 3.07(a) of this Agreement; and

   (c) in respect of Category (4) of the Allocation of the Proceeds of the Loan set forth in paragraph 1 of this Schedule unless the Borrower and the Bank have agreed on the components of the education projects referred to in Part D.1(d) of the Project.

5. Notwithstanding the allocation of an amount of the Loan or the disbursement percentages set forth in the table in paragraph 1 above, if the Bank has reasonably estimated that the amount of the Loan then allocated to any Category will be insufficient to finance the agreed percentage of all expenditures in that Category, the Bank may, by notice to the Borrower: (i) reallocate to such Category, to the extent required to meet the estimated shortfall, proceeds of the Loan which are then allocated to another Category and which in the opinion of the Bank are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.
6. If the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in this Agreement, no expenditures for such item shall be financed out of the proceeds of the Loan and the Bank may, without in any way restricting or limiting any other right, power or remedy of the Bank under the Loan Agreement, by notice to the Borrower, cancel such amount of the Loan as, in the Bank’s reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Loan.
SCHEDULE 2

Description of the Project

The Project is part of the Borrower's program to:

(i) introduce a more relevant primary school curriculum and increase the efficiency of the Borrower's primary school system;

(ii) extend to about 95% of all fifth and sixth grades in its primary education system its ITM program within the framework of an integrated education;

(iii) establish an experimental post-primary education and training program for some of the pupils of the sixth grade of primary education who will not have access to secondary education and are not permitted to repeat, to assist their integration in the economic life of their local areas; and

(iv) provide support for educational reform studies through assistance to the Borrower's Ministry of Education.

The Project consists of the following Parts:

Part A: Extension of the Borrower's ITM program

1. Construction, furnishing and equipping of about 55 primary school facilities.

2. Conversion of two classrooms in each of 156 existing primary schools into ITM workshops and equipping of same.

3. (a) Construction, equipping and furnishing of about 18 ITM polyvalent centers to be dispersed throughout the country; and of about 22 new ITMI.

(b) Equipping of about 210 new ITMA schools to be located in the governorates of Medenine and Kairouan.

Part B: Teacher Training

1. Construction, equipping and furnishing to expand five existing Ecoles Normales located at Tunis, La Marsa, Kairouan, Gafsa and Sfax, respectively, including in each such institution:
(a) about 75 workshop places (15 each in woodwork, metalwork, construction, electricity and home economics); and

(b) purchase and use of agricultural equipment for two groups of 30 students each.

2. Expansion of the National Center for Continuous Education at Korba through:

(a) Construction, equipping and furnishing of:

(i) the additions and remodelling necessary to increase total enrollment capacity from about 175 to 250 students and boarding space from about 150 to 175 students;

(ii) about 5 model workshops (woodwork, electricity, construction, metalwork, home economics/nutrition);

(b) purchase and use of agricultural equipment for about 30 students.

Part C: Post Primary

1. Establishment (including construction, remodelling, equipping and furnishing) of an experimental post-primary non-formal education center at Medenine, and of six satellite centers at Alfja, Zarzis, Ben Gardene, Tatahouine, Beni Kheddache and Jerba (Guellala), providing for about 125 additional places at Medenine and about 170 places in the satellite centers to supplement existing capacity in non-formal education institutions, thus resulting in a total of about 1,640 places.

2. Establishment (including construction, furnishing and equipping of facilities) of an experimental post-primary non-formal education center at Kairouan, and of two satellite centers at Sbeikha and Hadjeb, providing for a total of about 390 places.

Part D: Technical Assistance*

1. A program of studies including:

(a) a study of the relationships between the education-training system and the job market;

* See exhibit to this Schedule.
(b) studies of possible education reform measures;

(c) a study identifying specific priority areas for education investments and preparation of selected education projects suitable for external financing; and

(d) preparation of plans related to construction and equipment for the education projects referred to in paragraph (c) hereof.

2. a study evaluating the polyvalent ITM program;

3. a study of the eventual development of the post-primary program of the Borrower referred to under Part C of the Project, and on the evaluation of such program; and

4. provision of fellowships to train Tunisians abroad.

*   *   *   *

The Project is expected to be completed by June 30, 1979.
## EXHIBIT TO SCHEDULE 2

**Specialists and Fellowships**

<table>
<thead>
<tr>
<th>Category</th>
<th>Man/Months (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Specialists</strong></td>
<td></td>
</tr>
<tr>
<td>Training and Employment</td>
<td>12</td>
</tr>
<tr>
<td>Education Planner/Economist</td>
<td>24</td>
</tr>
<tr>
<td>General Education/Curriculum development</td>
<td>18</td>
</tr>
<tr>
<td>Technical Education/Equipment</td>
<td>18</td>
</tr>
<tr>
<td>School Survey Norms and Standards</td>
<td>18</td>
</tr>
<tr>
<td>Information Systems/Programmer</td>
<td>12</td>
</tr>
<tr>
<td>Non-formal Education</td>
<td>12</td>
</tr>
<tr>
<td>Tracer Systems/Evaluation</td>
<td>12</td>
</tr>
<tr>
<td><strong>II. Short-term consultancies for the Planning Unit, the Evaluation Unit and the Project Implementation Unit</strong></td>
<td>18</td>
</tr>
<tr>
<td><strong>III. Fellowships</strong></td>
<td></td>
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<tr>
<td>Education Planning (2 x 8 months)</td>
<td>16</td>
</tr>
<tr>
<td>School Survey (1 only)</td>
<td>12</td>
</tr>
<tr>
<td>Non-formal Education (3 x 12)</td>
<td>36</td>
</tr>
<tr>
<td>Tracer Studies and Evaluation (2 x 3 months)</td>
<td>6</td>
</tr>
</tbody>
</table>
## SCHEDULE 3

**Amortization Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Payment of Principal (expressed in dollars)*</th>
</tr>
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<tbody>
<tr>
<td>September 15, 1980</td>
<td>90,000</td>
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<tr>
<td>March 15, 1981</td>
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<td>September 15, 1981</td>
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<td>March 15, 1982</td>
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<td>September 15, 1982</td>
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<td>March 15, 1983</td>
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<td>120,000</td>
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<tr>
<td>March 15, 1985</td>
<td>130,000</td>
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<tr>
<td>September 15, 1985</td>
<td>135,000</td>
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<tr>
<td>March 15, 1986</td>
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<td>September 15, 1990</td>
<td>185,000</td>
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</tr>
<tr>
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<td>September 15, 2000</td>
<td>285,000</td>
</tr>
</tbody>
</table>

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.
**Premiums on Prepayment**

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05(b) of the General Conditions:

<table>
<thead>
<tr>
<th>Time of Prepayment</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than three years before maturity</td>
<td>1%</td>
</tr>
<tr>
<td>More than three years but not more than six years before maturity</td>
<td>2-1/4%</td>
</tr>
<tr>
<td>More than six years but not more than eleven years before maturity</td>
<td>4%</td>
</tr>
<tr>
<td>More than eleven years but not more than sixteen years before maturity</td>
<td>5-1/2%</td>
</tr>
<tr>
<td>More than sixteen years but not more than twenty-one years before maturity</td>
<td>7-1/4%</td>
</tr>
<tr>
<td>More than twenty-one years but not more than twenty-three years before maturity</td>
<td>8%</td>
</tr>
<tr>
<td>More than twenty-three years before maturity</td>
<td>8-1/2%</td>
</tr>
</tbody>
</table>
SCHEDULE 4

Procurement

A. General Procedures

1. Except as provided in Part A.2 hereof, contracts shall be let under procedures consistent with those set forth in the "Guidelines for Procurement under World Bank Loans and IDA Credits" published by the Bank in April 1972, as revised in October 1972 (hereinafter called the Guidelines), on the basis of international competitive bidding.

2. (a) Items or categories of items of furniture and equipment costing less than $3,000 equivalent shall be included in one miscellaneous category the total amount of which shall not exceed $330,000 equivalent, or such larger amount as may be agreed by the Borrower and the Bank, for the whole Project.

(b) With respect to any contract for furniture and equipment included in said miscellaneous category, the Borrower may procure such goods on a basis of reasonable and competitive procurement procedures, including but not limited to the solicitation of price quotations from not less than three suppliers.

(c) The Borrower shall furnish to the Bank, promptly after the execution of any such contract and prior to the submission to the Bank of the first application of withdrawals of funds from the Loan Account in respect of such contract, a summary and analysis of the price quotations.

B. Evaluation and Comparison of Bids for Goods; Preference for Domestic Manufacturers

1. For the purpose of evaluation and comparison of bids for the supply of goods: (i) bidders shall be required to state in their bid the c.i.f. (port of entry) price for imported goods, or the ex-factory price for domestically-manufactured goods; (ii) customs duties and other import taxes on imported goods, and sales and similar taxes on domestically-supplied goods, shall be excluded; and (iii) the cost to the Borrower of inland freight and other expenditures incidental to the delivery of goods to the place of their use or installation shall be included.

2. Goods manufactured in Tunisia may be granted a margin of preference in accordance with, and subject to, the following provisions:

(a) All bidding documents for the procurement of goods shall clearly indicate any preference which will be granted, the information required to establish
the eligibility of a bid for such preference and the following methods and stages that will be followed in the evaluation and comparison of bids.

(b) After evaluation, responsive bids will be classified in one of the following three groups:

1. **Group A**: bids offering goods manufactured in Tunisia if the bidder shall have established to the satisfaction of the Borrower and the Bank that the manufacturing cost of such goods includes a value added in Tunisia equal to at least 20% of the ex-factory bid price of such goods.

2. **Group B**: all other bids offering goods manufactured in Tunisia.

3. **Group C**: bids offering any other goods.

(c) All evaluated bids in each group shall be first compared among themselves, excluding any customs duties and other import taxes on goods to be imported and any sales or similar taxes on goods to be supplied domestically, to determine the lowest evaluated bid of each group. Such lowest evaluated bids shall then be compared with each other, and if, as a result of this comparison, a bid from group A or group B is the lowest, it shall be selected for the award.

(d) If, as a result of the comparison under paragraph (c) above, the lowest bid is a bid from group C, all group C bids shall be further compared with the lowest evaluated bid from group A after adding to the c.i.f. bid price of the imported goods offered in each group C bid, for the purpose of this further comparison only, an amount equal to (i) the amount of customs duties and other import taxes which a non-exempt importer would have to pay for the importation of the goods offered in such group C bid, or (ii) 15% of the c.i.f. bid price of such goods if said customs duties and taxes exceed 15% of such price. If the group A bid in such further comparison is the lowest, it shall be selected for the award; if not, the bid from group C which as a result of the comparison under paragraph (c) is the lowest evaluated bid shall be selected.

C. **Review of Procurement Decisions by Bank**

1. Review of invitation to bid and of proposed awards and final contracts.

   With respect to all contracts estimated to cost the equivalent of $200,000 or more:

   (a) Before bids are invited, the Borrower shall furnish to the Bank, for its comments, the text of the invitations to bid and the specifications and other
bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedures as the Bank shall reasonably request. Any further modification to the bidding documents shall require the Bank’s concurrence before it is issued to the prospective bidders.

(b) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Bank of the name of the bidder to which it intends to award the contract and the reasons for the intended award and shall furnish to the Bank, in sufficient time for its review, a detailed report on the evaluation and comparison of the bids received, together with the recommendation for award and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the intended award would be inconsistent with the Guidelines or this Schedule, promptly inform the Borrower and state the reasons for such determination.

(c) The terms and conditions of the contract shall not, without the Bank’s concurrence, materially differ from those on which bids were asked or prequalification invited.

(d) Two conformed copies of the contract shall be furnished to the Bank promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract.

2. With respect to each contract to be financed out of the proceeds of the Loan and not governed by the preceding paragraph, the Borrower shall furnish to the Bank, promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract, two conformed copies of such contract, together with the analysis of bids, recommendations for award and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the award of the contract was not consistent with the Guidelines or this Schedule, promptly inform the Borrower and state the reasons for such determination.

3. The Borrower shall obtain the Bank’s concurrence to any changes in any of the contracts referred to in this Schedule which shall be expected to involve a price increase exceeding 10% of the contract price; for requesting such concurrence, the Borrower shall provide the Bank with an explanation of the proposed change.
D. Procurement of Furniture and Equipment - Supplemental Procedures

The following procedures shall apply to the procurement of furniture and equipment in addition to the procedures set forth or referred to before in this Schedule.

1. Items shall be grouped so as to permit such bulk procurement as shall be consistent with appropriate technical and procurement practices. Insofar as practicable, contracts for such items shall be for not less than $50,000 equivalent.

2. Contracts for items costing less than $2,000 equivalent shall not be sent to the Bank for financing.

3. Before inviting bids, the Borrower shall send to the Bank for its concurrence the following:

   (a) lists of all items required for the Project and the proposed grouping thereof, showing the specifications and the estimated unit price of each item and the total price of each category of items. The list shall identify only those items or categories of items costing $3,000 equivalent or more. Identified items shall be indexed, coded and numbered for identification with the Project institution, courses and space for which they are required. Amendments to such list shall also be sent to the Bank for its concurrence; and

   (b) draft standard documents for inviting tenders, forms of contracts and a description of the method to be used for inviting bids on an international basis, including the proposed advertising procedures. Bidding documents shall specify that bidders must bid for at least 60%, or such other percentage as shall be agreed between the parties to this Agreement, or each package, and that the Borrower may make awards for less than one package if judged more economical.

4. Procurement of furniture and equipment shall be limited to: (a) those items specified in the agreed lists mentioned in sub-paragraph D.2(a) above and identified in contract documents by such indices, codes and number as appear in such lists; and (b) the amount approved for the miscellaneous category mentioned in paragraph A.2(a) of this Schedule.

5. The Borrower shall send to the Bank, after bids have been evaluated, a summary and analysis thereof, and obtain the Bank’s concurrence before awarding a contract. In case of a contract to be awarded to other than the lowest bidder, the Borrower shall send to the Bank a brief justification of the proposed award.
6. Promptly after bids have been evaluated and the contract has been awarded, the Borrower shall inform the Bank through the Director of PIU that the goods contracted for are in accordance with the quantities and specifications in the list concurred in by the Bank under paragraph D.2 above.
SCHEDULE 5

Project Implementation Unit

PIU shall be responsible for the coordination, carrying out and supervision of the Project, and, specifically, in collaboration with the Direction des Bâtiments et du Matériel of the Ministry of Education, for:

(a) preparing comprehensive implementation charts reflecting the planned timetable of activities and responsibilities on which the carrying out of all aspects of the Project shall be based. The charts shall be prepared as the first step in implementing the Project, and the Bank shall be given a reasonable opportunity to comment on the planned timetable before it is put into effect;

(b) initiating the selection of consulting architects, the approval of their terms of reference and the administration of their agreements;

(c) making the necessary arrangements for briefing consulting architects;

(d) reviewing and approving or arranging for the review and approval by the appropriate authorities of all reports, plans, specifications and other material related to the Project;

(e) preparing basic equipment and furniture lists with the help of appropriate specialists from among participating agencies and the technical assistance personnel provided under Part D of the Project;

(f) making all necessary arrangements for finalizing bid documents, calling bids, evaluations and awarding contracts relating to the Project;

(g) undertaking liaison with the relevant departments, agencies, ministries and instrumentalities of the Borrower and with the Bank to ensure the efficient and expeditious implementation of the project;

(h) the keeping of records, including financial records, of the execution of the Project; and

(i) preparing quarterly progress reports in respect of the Project for the Borrower and the Bank.
SCHEDULE 6

Criteria to Identify and Select Sites for the Schools included in Part A.1 and 2 of the Project

1. The criteria to identify existing primary schools included in Part A.2 of the Project are the following:

   (a) Schools must have more than eight classrooms or more than 640 registered pupils; and

   (b) Schools must have been built on a site which allows less than five square meters per registered pupil.

2. The criterion to select sites for new schools included in Part A.1 of the Project is the following, namely, that the sites must allow at least eight square meters per registered pupil or fifteen square meters per pupil-place, and have at least a total of 4,500 square meters. This criterion represents the minimum required in the case of urban schools, and, whenever possible, sites shall be larger to allow for expansion of the school, the eventual establishment of playfields and the organization of other activities.