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**GEF TRUST FUND GRANT NUMBER TF055745-TN**

# **Global Environment Facility Trust Fund Grant Agreement**

**(Africa Stockpiles Programme)**

**between**

**REPUBLIC OF TUNISIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**(Acting as an Implementing Agency of the Global Environment Facility)**

**Dated November 21, 2005**

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Public Disclosure Authorized

**GEF TRUST FUND GRANT NUMBER TF055745-TN**

**GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT**

AGREEMENT, dated November 21, 2005, between the 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 94-2);

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Africa Stockpiles Programme (the Program), has requested assistance from the resources of the GEF Trust Fund for funding the project described in Schedule 2 to this Agreement (the Project) as one of the countries participating in the Program, and the said request has 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

WHEREAS (D) 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:

**ARTICLE I**

**General Conditions; Definitions**

Section 1.01 (a) The following provisions of the "General Conditions Applicable to Loan and Guarantee Agreements for Single Currency Loans" of the Bank, dated May 30, 1995 (as amended through May 1, 2004), 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 (2), (3), (4), (5), (6), (7), (8), (14), (15), (16), (18) and (21), 2.02 and 2.03;
  - (iii) Section 3.01;
  - (iv) Sections 4.01 and 4.06;
  - (v) Article V;
  - (vi) Sections 6.01, 6.02 (c), (e), (f), (i), (l), (m), (n), (o) and (p), 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; 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(6), 6.02(f) and 5.01(a) 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;
  - (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” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
  - (v) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account; and

- (vi) a new subparagraph is added after subparagraph (o) 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) “ANGD” means “Agence Nationale de Gestion des Déchets”, being the Recipient’s National Agency for Waste Management, established and operating pursuant to the Recipient’s Decree No. 2317 dated August 22, 2005, or any successor thereto;

(b) “Associated Waste” means materials that are contaminated by Obsolete Pesticides, including *inter alia* containers, equipment, and heavily contaminated soils where the Bank agrees that those soils are within the Project scope;

(c) “Category” means each item to be financed out of the proceeds of the GEF Trust Fund Grant as set forth in the table in paragraph 1 of Schedule 1 to this Agreement, and the term Categories shall mean more than one item or all items collectively, as the case may be;

(d) “CESA” means the country project-specific environmental and social assessment, acceptable to the Bank, that evaluates the Project’s potential environmental risks and impacts in its area of influence; examines Project alternatives; identifies ways of improving Project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout Project implementation. The CESA is to be carried out by the Recipient in a manner that is consistent with the ESASR after completing the preparation of the inventory of Obsolete Pesticides under Part A of the Project. The CESA is to include an environmental management plan, acceptable to the Bank, to be prepared by the Recipient in accordance with the ESASR and the Program OM, and finalized after completing the preparation of the inventory of Obsolete Pesticides under Part A of the Project, identifying the specific measures to be implemented to mitigate adverse environmental impacts under the Project;

(e) “Conventions” means collectively: (i) the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal Adopted by the Conference of the Plenipotentiaries on March 22, 1989, and entering into force in May, 1992, pursuant to paragraph 1 of Article 25 of the said convention (“the Basel Convention”); (ii) the Stockholm Convention on Persistent Organic Pollutants (POPs) entering into force on May 17, 2004, pursuant to paragraph 1 of Article 26 of the said

convention (“the Stockholm Convention”); and (iii) the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade entering into force on February 24, 2004, pursuant to paragraph 1 of Article 26 of the said convention (“the Rotterdam Convention”);

(f) “Country Operations Manual” or “Country OM” means the Recipient’s Project Operations Manual, dated July 14, 2005, and acceptable to the Bank, and setting forth, *inter alia*, Project specific institutional, technical, procurement, financial management, disbursement and environmental and social management procedures, as the said manual may be amended from time to time with the approval of the Bank;

(g) “Dinars” means the lawful currency of the Recipient;

(h) “Disposal Services” means services related to the transport, packaging, treatment or disposal of Obsolete Pesticides and Associated Waste under Part B of the Project;

(i) “Eligible Categories” means Categories (1), (2), (3), (4) and (5) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(j) “Eligible Expenditures” means the expenditures for goods, consultants’ services, Disposal Services and Operating Costs referred to in Section 2.02 of this Agreement;

(k) “ESASR” means the Environmental and Social Assessment Synthesis Report dated March 17, 2004, accepted by the Bank, identifying and assessing the potential environmental and social impacts of the Program, and such term shall include any schedules to the said assessment;

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

(m) “Fiscal Year” or “FY” means the Recipient’s fiscal year which commences on January 1 of each calendar year and ends on December 31 of the same calendar year;

(n) “Obsolete Pesticides” means pesticide products: (a) whose usage is prohibited or severely restricted for environmental or health reasons by applicable provisions of the Conventions, and/or national law consistent with the Conventions; or (b) that have deteriorated as a result of improper or prolonged storage and can neither be used in accordance with label specifications nor easily reformulated for use; or (c) that cannot be used for their intended purpose, and cannot be easily modified to accomplish such purpose or some other purpose;

(o) “Public Authority” means any government department or agency, whether national, local or otherwise, located in the territory of the Recipient;

(p) “Publicly Held” Obsolete Pesticides means those Obsolete Pesticides which are in the legal ownership or custody of the Recipient or any Public Authority or any company or other entity owned or controlled in whole or in part by the Recipient or by any Public Authority, or become so owned or in such custody during the course of Project implementation;

(q) “Procurement Plan” means the Recipient’s procurement plan, dated July 15, 2005, covering the initial eighteen (18) month period of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding eighteen (18) month periods of Project implementation;

(r) “Program Operations Manual” or “Program OM”, means the operations manual, dated May 11, 2005, accepted by the Bank, setting forth the implementation arrangements for the Program as a whole, as such manual may be amended from time to time with the approval of the Bank;

(s) “PMU” means the Project Management Unit established within ANGD for the purposes set forth in paragraph 1(a), Part A of Schedule 4 to this Agreement;

(t) “Steering Committee” means the steering committee established by a decision dated July 11, 2005 of the Minister of the Environment and Sustainable Development, for the purposes stipulated in paragraph 1(c), Part A, of Schedule 4 to this Agreement; and

(u) “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 equal to four million dollars (\$4,000,000), it being understood by the Recipient that pursuant to the provisions of Section 6.03(b) of the General Conditions, the Bank, may, after the completion of the inventory of Obsolete Pesticides under Part A of the Project, cancel such amounts of the GEF Trust Fund Grant allocated to the Disposal Services Category that shall not be required for purposes of the disposal operations to be carried out under Part B of the Project.

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, consultant services, disposal services and operating costs required for 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, including appropriate protection against set-off, seizure or attachment. 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 November 30, 2009, or such later date as the Bank shall establish in its discretion. 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 ANGD with due diligence and efficiency and in conformity with appropriate administrative, financial and pest management practices and with due regard to ecological and environmental factors and to the health and safety of workers, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) The Recipient shall duly and punctually perform all its obligations under the Conventions and shall exercise its rights thereunder in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Project, and without limitation to the generality of the foregoing, undertake all such actions as may be necessary and proper to ensure the safe and effective treatment and/or disposal of Obsolete Pesticides and Associated Waste under the Project.

(c) The Recipient shall ensure that no radioactive materials, munitions, or other explosives are present at any of the sites at which treatment or disposal of Obsolete Pesticides and Associated Waste is undertaken during the course of Project implementation.

(d) Without limitation upon the provisions of paragraphs (a), (b) and (c) 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. (a) Except as the Bank shall otherwise agree, procurement of the goods, consultants' services and disposal 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, as said provisions may be further elaborated in the Procurement Plan.

(b) The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the Bank, and furnish such update to the Bank not later than twelve (12) months after the date of the preceding Procurement Plan, for the Bank's approval.

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 designed to ensure the continued achievement of the objectives of the Project; and

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

Section 3.04. For the avoidance of doubt, the Bank and Recipient agree that the Project activities are potentially hazardous, involving as they do potentially dangerous chemicals; that the Bank shall not be responsible for execution of the Project activities, including any activities undertaken by any partners in or contractors to the Project; that the Bank shall at no time during the course of the Project acquire any legal title to or obligations in respect of any Obsolete Pesticides, Associated Waste or Hazardous Materials, or the equipment used to dispose of, treat, handle or transport any of the same; and that the Bank shall not be liable if the Project activities cause any loss or damage of any kind whatsoever.

## **ARTICLE IV**

### **Financial Covenants**

Section 4.01. (a) The Recipient shall maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

(i) have the financial statements referred to in paragraph (a) of this Section for each fiscal year (or other period agreed to by the Bank), audited, in accordance with consistently applied auditing



standards acceptable to the Bank, by independent auditors acceptable to the Bank;

- (ii) furnish to the Bank as soon as available, but in any case not later than six (6) months after the end of each such year (or such other period agreed to by the Bank): (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period agreed to by the Bank), as so audited; and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Bank; and
- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Bank may 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:

- (i) retain, until at least one year after the Bank has received the audit report for, or covering, the Fiscal Year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (ii) enable the Bank's representatives to examine such records; and
- (iii) ensure that such reports and statements of expenditure are included in the audit for each Fiscal Year (or other period agreed to by the Bank), referred to in paragraph (b) of this Section.

Section 4.02(a) Without limitation upon the Recipient's progress reporting obligations set out in part C of Schedule 4 to this Agreement, 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(p) of the General Conditions, the following additional events are specified:

- (a) the Recipient shall have withdrawn from or delivered a written notice of its intention to withdraw as a party to the Conventions;
- (b) the Recipient shall have failed to perform any of its obligations under the Conventions;
- (c) the CESA is amended so as, in the opinion of the Bank, to materially and adversely affect the carrying out of the Project;
- (d) the Country OM is amended so as, in the opinion of the Bank, to materially and adversely affect the carrying out of the Project; and
- (e) a situation arises which shall make it improbable that the Project or any significant part thereof shall be carried out.

## **ARTICLE VI**

### **Effectiveness; Termination**

Section 6.01. This Agreement shall become effective upon its execution by the parties to this Agreement.

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 Development and International Cooperation 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 Development and International Cooperation  
Place Ali Zouani  
Tunis  
Republic of Tunisia

Cable address:

MCIIE 18060

Facsimile:

216-71-351666/216-71-799069

For the Bank:

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

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (MCI)  
64145 (MCI)

Facsimile:

(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 Washington, D.C., United States of America, as of the day and year first above written.

REPUBLIC OF TUNISIA

By /s/ Mohamed Nejib Hachana

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
(Acting as an Implementing Agency of the  
Global Environment Facility)

By /s/ Theodore O. Ahlers

Authorized Representative

## 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 Dollars)</u>	<u>% of Expenditures to be Financed</u>
(1) Goods	100,000	100%
(2) Consultant Services, audit, training and workshops	100,000	100%
(3) Disposal Services	3,150,000	100%
(4) Operating Costs	250,000	100%
(5) Unallocated	400,000	
TOTAL	<u>4,000,000</u>	

2. For the purposes of this Schedule, the term “Operating Costs” means incremental operating costs on account of Project coordination, implementation, and monitoring activities carried out by the PMU including office supplies, office rent, utilities, printing, advertising, per diems, bank charges, maintenance and operation of Project motor vehicles, and necessary travel within the Recipient’s country, but excluding the salaries of the Recipient’s civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of: (a) payments made for expenditures prior to the date of this Agreement; or (b) expenditures incurred under Category (3) (Disposal Services) unless the Recipient has: (i) completed a detailed inventory of its Obsolete Pesticide stocks under Part A of the Project that is satisfactory to the Bank; and (ii) submitted to the Bank a CESA that is satisfactory to the Bank and disclosed the said document in such manner as may be required by the Bank.

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 under contracts for:

(a) goods costing less than \$250,000 equivalent per contract; (b) services of individual consultants costing less than \$50,000 equivalent per contract; (c) services of consulting firms under contracts costing less than \$100,000 equivalent per contract; (d) Training and Workshops; and (e) Operating Costs, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

## **SCHEDULE 2**

### **Description of the Project**

The objective of the Project is to assist the Recipient in: (a) eliminating inventoried Publicly Held Obsolete Pesticide stocks and Associated Waste; and (b) implementing measures to reduce and prevent future related risks.

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 objective:

#### Part A: Obsolete Pesticides Inventory

Carrying out of a detailed inventory of the Recipient's Publicly Held Obsolete Pesticides stocks through: (a) collection of data and compilation of a data base; (b) a risk-based prioritization of the stocks identified in the data base; and (c) preparation of the CESA.

#### Part B: Disposal of Obsolete Pesticides

Treatment and/or disposal of Publicly Held Obsolete Pesticides stocks and Associated Waste by: (a) carrying out of a technological assessment of available treatment and disposal options; (b) implementation of the treatment and/or disposal technology selected; and (c) improving the operations of Obsolete Pesticide stocks collection centers, including improving safety measures at those centers.

#### Part C: Prevention of Obsolete Pesticide Accumulation

Carrying out of activities aimed at preventing Obsolete Pesticide accumulation, including: (a) awareness raising activities on the health and environmental hazards of pesticides; (b) a review and update of the legal and regulatory framework to control Obsolete Pesticide accumulation and enforcement mechanisms; (c) preparation and implementation of an integrated pest management (IPM) strategy; and (d) a review of pesticide management practices and preparation and implementation of a training plan.

#### Part D: Capacity Building

Strengthening the capacity of the PMU to implement the Project through the provision of training.

Part E: Project Management

Supporting the PMU in carrying out Project coordination, implementation, monitoring and evaluation, through the provision of technical advisory services, equipment and operational support.

\* \* \*

The Project is expected to be completed by May 31, 2009.



### **SCHEDULE 3**

#### **Procurement**

##### Section I. General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Bank of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

##### Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts, including contracts for Disposal Services, shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Recipient.

##### B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than \$250,000 per contract may be procured under contracts awarded on the basis of National Competitive Bidding in accordance with procedures acceptable to the Bank. Said procedures shall ensure, *inter alia*, that:

- (i) Bids are advertised in national newspapers with wide circulation.
- (ii) The bid document clearly explains the bid evaluation, award criteria and bidder qualification criteria.
- (iii) Bidders are given adequate response time to prepare and submit bids (four (4) weeks minimum).

- (iv) Bids may be submitted, at the bidder's option, in person or by courier service, and the disclosure of their identity on the outer envelope is not grounds for bid rejection.
- (v) Technical and financial bids are publicly and simultaneously opened.
- (vi) Bids shall be evaluated on price and any other criteria disclosed in the bid documents and quantified in monetary terms and contract area awarded to the qualified bidder with the lowest evaluated responsive bid.
- (vii) No eligible bidder is excluded from participation.
- (viii) Government owned enterprises in the Recipient's country may participate only if they can establish that they: (a) are legally and financially autonomous; (b) operate under commercial law; and (c) are not dependent agencies of the Recipient or of any other entity that is a dependant of the Recipient.
- (ix) No domestic preference is applicable to domestic bids.
- (x) No foreign bidder is forced to submit a bid in association with domestic firms as a condition for bidding.
- (xi) Prior to issuing the first call for bids, a draft standard bidding document to be used under National Competitive Bidding Procurement must be submitted to, and found acceptable by, the Bank.
- (xii) The procedures shall include publication of evaluation results and the details of the contract awarded, and provisions for bidders to protest.

2. Shopping. Goods estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded on the basis of Shopping procedures in accordance with paragraph 3.5 of the Guidelines.

3. Direct Contracting. Goods which are specialized or of a proprietary nature costing less than \$10,000 may, with Bank's prior agreement, be procured in accordance with the provisions of paragraph 3.6 of the Guidelines.

### Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

B. Other Procedures

1. Quality-based Selection. Services consisting of training workshop, monitoring and evaluation and audits, estimated to cost less than \$50,000 per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.2 through 3.4 of the Consultant Guidelines.

2. Selection Based on Consultants' Qualifications. Services estimated to cost less than \$100,000 per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

3. Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

4. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraph 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section IV. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's prior review. All other contracts shall be subject to Post Review by the Bank.

## **SCHEDULE 4**

### **Implementation Program**

#### A. Project Management

##### 1. (a) PMU:

The Recipient shall maintain throughout Project implementation the PMU under terms of reference and with resources and a staff composition that is acceptable to the Bank for purposes of the day to day management of the Project including financial management, monitoring and evaluation, preparation of progress reports and procurement. Without limitation to the generality of the foregoing, the staff composition of the PMU shall include a Project Manager, Disposal Coordinator, Prevention Coordinator, Communication Officer and a Financial Officer.

##### (b) Operations Manuals:

The Recipient shall carry out the Project in accordance with the procedures set forth in the Program OM and the Country OM, and except as the Bank shall otherwise agree, shall not amend or waive any provisions thereof if such amendment or waiver, may in the opinion of the Bank, materially or adversely affect the implementation of the Project.

##### (c) Steering Committee:

The Recipient shall maintain, throughout Project implementation, a steering committee to oversee Project implementation, under terms of references and with a membership composition acceptable to the Bank. Without limitation to the generality of the foregoing, the steering committee shall oversee the overall implementation of the Project, including but not limited to the review of annual work programs and progress reports. The steering committee shall meet at least once every six (6) months, and shall be chaired by the Minister of the Environment and Sustainable Development or his delegate, and include representatives from the Ministry of Agriculture and Water Resources, the Ministry of Finance, the Ministry of Development and International Cooperation, the Ministry of Public Health, the Department of the Environment and Water Quality within the Ministry of the Environment and Sustainable Development, ANGD, the International Center for Environmental Technology, the Tunisian Union of Agriculture and Fishing, the Global Environment Facility Coordinator and the Stockholm Convention Coordinator.

B. Environmental and Social Measures

2. The Recipient shall implement the Project in accordance with the ESASR and the CESA. Without limitation to the generality of the foregoing, the Recipient shall not implement any Project activity which results in the involuntary resettlement of persons or the involuntary acquisition of land, save with the prior consent of the Bank and on such terms as the Bank may require.

C. Reporting

3. Bi-Annual Work Plans:

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;

(b) without prejudice to the obligations contained in paragraph 4.02 of this Agreement, submit to the Bank for its review and approval, no later than March 31 and September 30 in each year of Project implementation, commencing March 31, 2006, a bi-annual report reviewing the progress in Project implementation during the six (6) months preceding the report, having due regard to the monitoring indicators referred to in subparagraph (a) of this paragraph and containing measures proposed to ensure efficient implementation of the Project and achievement of the Project objectives during the period following the report. The bi-annual report submitted by March 31 each year will also contain an annual work plan, acceptable to the Bank, for the year following submission of the report; and

(c) following the submission and review of each bi-annual report, act promptly and diligently to take any corrective action agreed with the Bank to remedy any shortcomings identified in Project implementation, in furtherance of the objectives of the Project.

5. Mid-term Review:

(a) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about January 31, 2008, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 3(a) of this Schedule 4, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date for discussion during the mid-term review to be carried out jointly with the Bank pursuant to paragraph (b) below; and

(b) review with the Bank by March 31, 2008, or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

## **SCHEDULE 5**

### **Special Account**

1. For the purposes of this Schedule:
  - (a) the term “Eligible Categories” means Categories (1), (2), (3) and (4) 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 costs of goods, services, Disposal Services and Operating Costs 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 the amount of \$500,000 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, 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 Monitoring Indicators**

Save to the extent that the Recipient and the Bank shall otherwise agree, the Performance Monitoring Indicators for the Project shall be:

1. Inventory database of Publicly Held Obsolete Pesticides stocks in place and being used by the PMU and the Recipient's government staff.
2. Completion of CESA, and implementation of the measures contained therein.
3. Inventoried Publicly Held Obsolete Pesticides stocks disposed of, as a result of the completion of the Disposal Services contract(s) in accordance with national and international laws and regulations.
4. Legal and regulatory framework for pesticide management improved, including measures to strengthen compliance with the Basel Convention and the Rotterdam Convention.
5. The training program under Part D of the Project is implemented and the knowledge so acquired is being used by PMU and Recipient's government staff.
6. The PMU is functional and its operation is satisfactory to the Bank.