Middle East and North Africa (MNA) Region-wide Technical Assistance Multi-Donor Trust Fund Grant Agreement
(Road Transport Corridors Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as administrator of the Middle East and North Africa (MNA) Region-wide Technical Assistance Multi-Donor Trust Fund

Dated October 2, 2015
AGREEMENT dated October 2, 2015, entered into between:

REPUBLIC OF TUNISIA ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of the Middle East and North Africa (MNA) Region-wide Technical Assistance Multi-Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the MEHLP in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to nine hundred nine thousand United States Dollars ($909,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The IBRD Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been satisfied or waived.

4.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make
withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. **Termination for Failure to Become Effective.** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred twenty (120) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**

**Recipient's Representative; Addresses**

5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Development, Investment and International Cooperation.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Development, Investment and International Cooperation

Place Pasteur
1002 Tunis
Republic of Tunisia

Facsimile:
216 71 799 069

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.
AGREED at Tunis, Tunisia, as of the day and year first above written.

REPUBLIC OF TUNISIA

By

Authorized Representative

Name: Yassine Brahim
Title: Minister of Development, Investment and International Cooperation

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
acting as administrator of the Middle East and North Africa (MNA) Region-wide Technical Assistance Multi-Donor Trust Fund

By

Authorized Representative

Name: Eileen Murray
Title: Country Manager
SCHEDULE I

Project Description

The objectives of the Project are: (i) to reduce transportation cost and time and improve road safety on select road corridors between lagging regions and more developed areas in the territory of the Recipient; and (ii) to strengthen the capacity of the MEHLP in road asset management.

The Project consists of the following parts:

Part I: Road Corridor Improvement

1. Widening and upgrading as necessary of about 57 km of National Road 12 between Sousse and Kairouan, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.

2. Widening and upgrading as necessary of about 65 km of National Road 4 between El Faks and Siliana, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.

3. Widening and upgrading as necessary of about 24 km of Regional Road 133 between Jebel El Oust and Zaghouan, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.

4. Supervision of the activities to be carried out under Parts 1.1, 1.2 and 1.3 above.

Part II: Road Network Management Improvement

1. Acquisition of: (i) monitoring equipment for the central laboratory of CETEC in Tunis and its regional laboratories at Sousse, Kairouan, Zaghouan and Siliana, in order to improve the management of the national and regional road network; and (ii) vehicles for supervising the civil works on the road network to be carried out under Part I above.

2. Strengthening the technical capacities of selected staff at MEHLP regarding: (i) the design and implementation of decision-making tools to better plan road maintenance and road public expenditure, including in the lagging regions; and (ii) the review of the role of public and private sectors in the management of the road sector, including the use of performance-based contracts for rehabilitation and maintenance of roads; and strengthening the technical capacities of selected staff at MEHLP, other relevant Ministries and public entities and relevant private sector entities regarding modern road asset management and performance-based contracts for road maintenance; all through the provision of technical advisory
services and training, the carrying out of studies, and the acquisition of computer equipment and software.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through the MEHLP, shall ensure that the Project is implemented by the DGPC with the assistance of the Project Implementation Unit. The Recipient, through the MEHLP, shall, throughout the implementation of the Project, ensure that the DGPC and the Project Implementation Unit: (i) are at all times maintained with qualified managers and competent staff and adequate resources; and (ii) collaborate closely with all other Ministries or agencies of the Recipient involved in the implantation of the Project, as described in the Project Operations Manual.

2. The Recipient, through the MEHLP, shall implement the Project in accordance with the Project Operations Manual. The Recipient shall not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual, without prior written approval of the World Bank.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Recipient shall: (i) implement the Project in accordance with the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs, and shall not amend, suspend, abrogate, repeal or waive any provision of the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs, without prior written approval of the World Bank and subject to compliance with applicable consultation and public disclosure requirements of the World Bank; and (ii) ensure that adequate information on the implementation of the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs is suitably included in the Project Reports referred to in Section II.A of this Schedule, including details of: (a) measures taken in furtherance of the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs; and (c) remedial measures taken or required to be taken to address such conditions.

2. The Recipient shall ensure that all measures identified and described in the ESIAs, the ESMF, the ESMPs, the RPF and the RAPs are taken in a timely manner.
3. The Recipient shall:

(a) prior to commencing civil works for any activity under the Project and when required under the ESMPs and the RAPs, carry out specific public consultation in form and in substance satisfactory to the World Bank;

(b) prior to commencing civil works for any activity under the Project and when required under the ESMF, prepare, adopt and disclose appropriate ESMP or ESMPs in accordance with such ESMF, such ESMP or ESMPs to be in form and substance satisfactory to the World Bank; and

(c) ensure that all the works regarding the relevant roads are consistent with the provisions of the ESMF and thereafter implement the applicable ESMPs.

4. Prior to commencement of civil works for any activity of the Project involving involuntary resettlement or involuntary acquisition of land, the Recipient shall prepare, adopt, disclose and implement appropriate RAP or RAPs, as the case may be, for compensation, or resettlement, in accordance with the RPF, such RAP or RAPs to be in form and substance satisfactory to the World Bank.

5. In the event that any provision of the ESIAs, the ESMPs, the RPF and the RAPs shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

6. The Recipient shall implement the Action Plan and any additional measures agreed with the World Bank pursuant to the Action Plan, in a manner satisfactory to the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the
Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

   (a) National Competitive Bidding, subject to the following additional provisions:

   (i) The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for reasons other than those provided in Section I of the Procurement Guidelines.

   (ii) No foreign bidder shall be required to submit a bid in association with domestic firms as a condition for bidding.

   (iii) The bidding documents shall clearly set out the bid evaluation process, the award criteria and the bidders’ qualification criteria.

   (iv) Bidding opportunities shall be advertised with not less than thirty (30) days for bid preparation.

   (v) Technical and financial bids are always publicly and simultaneously opened, and such public bid opening shall take place immediately or closely after the deadline for submission of bids. No evaluation of bids shall take place at the bid public opening session.

   (vi) Prior to issuing the first call for bids, a draft standard bidding document to be used under National Competitive Bidding must be submitted to, and found acceptable by the World Bank.
(vii) The procedures shall include publication of evaluation results and of the details of the contract awarded.

(viii) Bids shall be evaluated based on price and on other criteria disclosed in the bidding documents and quantified in monetary terms, and no domestic preference or any other kind of preferential treatment for national companies or for goods of national origin shall be applied. The verification of the compliance of bids to the technical requirements set forth in the bidding documents shall not be limited to the technical offer of the bidder which has offered the lowest price.

(ix) The contract shall be awarded to the qualified bidder having submitted the lowest evaluated responsive bid, and no negotiation shall take place.

(x) Each bidding document and contract shall include provisions stating the World Bank’s policy to sanction firms or individuals which have engaged in fraud and corruption as set forth in the Procurement Guidelines as well as the World Bank’s right to inspection and audit; and

(b) Shopping.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality-and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of Individual Consultants; and (j) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services and Training under Part II.2 of the Project</td>
<td>909,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>909,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of the above table, “Training” means the costs of: (i) reasonable expenditures for national and international travel, room and board and per diem expenditures incurred by trainers and trainees and by non-consultant training facilitators in connection with training provided under the Project; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction, and distribution expenses; and (v) participating in national and international workshops and conferences.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2017.
APPENDIX

Definitions

1. "Action Plan" means the action plan dated June 3, 2015, agreed between the Borrower and the World Bank which sets forth measures to remedy outstanding compensation issues related to a program of roads work undertaken by the Borrower between 2000 and 2005 on parcels adjacent to the Project area.


3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “CETEC” means Centre d'Essai et de Technique de la Construction, the Recipient’s Center for Construction Techniques and Testing established and operating pursuant to the Recipient’s Decree No. 91-224 dated February 4, 1991.


6. “DGPC” means the Direction Générale des Ponts et Chaussées, the General Directorate of Roads and Bridges at the MEHLP.

7. “ESIA” means each of: (i) the Environmental and Social Impact Assessment, satisfactory to the World Bank and disclosed in the World Bank’s Infoshop on April 24, 2015, for the activities to be carried out under Part 1.1 of the Project regarding National Road 12; (ii) any Environmental Impact Assessment, satisfactory to the World Bank, to be prepared and adopted by the MEHLP, and to be disclosed in the World Bank’s Infoshop, for the activities to be carried out under Part 1.2 of the Project regarding National Road 4; and (iii) the Environmental Impact Assessment, satisfactory to the World Bank and disclosed in the World Bank’s Infoshop on April 24, 2015, for the activities to be carried out under Part 1.3 of the Project regarding Regional Road 133, each evaluating the environmental impact of Part 1.1, Part 1.2 and Part 1.3 of the Project, respectively, and setting forth, through the ESMFs included therein, the mitigating, compensating and monitoring measures for each such Part of the Project, and referenced collectively as the “ESIAs”.

8. “ESMF” means the Environmental and Social Management Framework, satisfactory to the World Bank and disclosed in the World Bank’s Infoshop on February 13, 2015, setting forth procedures for the environmental and social
screening of the activities to be carried out under Part 1.2 of the Project regarding National Road 4, including the mitigation measures to be prescribed in any ESIA and ESMP to be adopted for Part 1.2 of the Project, as well as the specific public consultation measures to be carried out prior to commencing civil works.

9. "ESMP" means each of: (i) the Environment and Social Management Plan for the activities to be carried out under Part 1.1 of the Project regarding National Road 12, and disclosed in the World Bank’s Infoshop on February 13, 2015; (ii) the Environment and Social Management Plan for the activities to be carried out under Part 1.3 of the Project regarding Regional Road 133, and disclosed in the World Bank’s Infoshop on February 13, 2015; and (iii) any Environment and Social Management Plan, satisfactory to the World Bank, to be prepared and adopted by the MEHLP, and to be disclosed in the World Bank’s Infoshop for the activities to be carried out under Part 1.2 of the Project regarding National Road 4, in accordance with the terms of the ESMF, each describing the mitigation, monitoring and institutional measures to be implemented in order to eliminate, offset or reduce any adverse environmental and social aspects in respect of the activities for each such Parts of the Project; and referenced collectively as the “ESMPs”.

10. "IBRD Loan Agreement" means the agreement between the Recipient and the World Bank for Parts 1.1, 1.2, 1.3 and 1.11 of the Project, of the same date as this Agreement, as such agreement may be amended from time to time. "IBRD Loan Agreement" includes all appendices, schedules and agreements supplemental to the IBRD Loan Agreement.

11. "MEHLP" means the Ministry of Equipment, Habitat and Land Planning of the Recipient, or any successor thereto.


13. "Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 3, 2015, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

14. “Project Implementation Unit” means the unit established by the MEHLP and headed by the Director of the DGPC, pursuant to Decision No. 172/2014 dated December 12, 2014.

15. “Project Operations Manual” means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project, as adopted by the MEHLP on February
16. "RAP" means each of: (i) the Resettlement Action Plan for the activities to be carried out under Part 1.1 of the Project regarding National Road 12, and disclosed in the World Bank’s Infoshop on April 24, 2015; (ii) the Resettlement Action Plan for the activities to be carried out under Part 1.3 of the Project and additional activities identified in the Action Plan regarding Regional Road 133, and disclosed in the World Bank’s Infoshop on April 24, 2015; and (iii) any Resettlement Action Plan, satisfactory to the World Bank, to be prepared and adopted by the MEHLP and to be disclosed in the World Bank’s Infoshop for the activities to be carried out under Part 1.2 of the Project regarding National Road 4, each in accordance with the terms of the RPF, describing the details for land acquisition, resettlement and rehabilitation in respect of the activities for each such Parts of the Project, and referenced collectively as the "RAPs", and any amendments thereto made with the prior approval of the World Bank.

17. "RPF" means the Resettlement Policy Framework satisfactory to the World Bank and adopted by the MEHLP on February 5, 2015, and disclosed in the World Bank’s Infoshop on February 10, 2015, outlining the modalities for land acquisition, resettlement and rehabilitation in respect of the activities to be carried out under Part 1.2 of the Project, as well as details for the preparation of the RAPs.