Mr. Anouar Ben Kaddour  
Head, Studies and Documentation Department  
Union Générale Tunisienne du Travail  
26 Rue Med Ali  
1000 Tunis  
Republic of Tunisia

Re: GPSA Grant No.TF018057  
Building a National Network for Social Accountability in Tunisia

Dear Sir:

In response to the request for financial assistance made on behalf of Union Générale Tunisienne du Travail ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Global Partnership for Social Accountability Trust Fund ("GPSA"), proposes to extend to the Recipient for the benefit of the Republic of Tunisia ("Member Country"), a grant in an amount not to exceed eight hundred thousand United States Dollars (U.S.$800,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned
copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Simon Gray
Country Director for Tunisia
MNA Region

AGREED:
UNION GÉNÉRALE TUNISIENNE DU TRAVAIL

By:

Authorized Representative

Name: Anouar Ben Kaïdoun
Title: Executive Board Member of UGTT
Date: 27/11/2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** 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, and the following additional terms shall have the following meanings:

(a) "CSO" means a civil society organization legally established and operating in the Member Country’s territory and selected according to criteria agreed between the Recipient and the World Bank; and “CSOs” means the plural thereof.

(b) "Union Générale Tunisienne du Travail" and “UGTT”, each means a non-governmental organization legally established and operating in the Member Country’s territory pursuant to its statutes approved on February 9, 2002 and the Tunisian Labor Code, and having the following legal address: 26 Rue Med Ali, 1000 Tunis, Republic of Tunisia.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to contribute to improving the quality of service delivery and to strengthening citizen’s and service providers’ capacities to engage in evidence-base, collaborative problem-solving in the health and education sectors. The Project consists of the following parts:

**Part 1. Information Gathering and Capacity Building**

Designing and implementing a social accountability mechanism to gather, systematize and channel feedback on health and education service indicators through:

(a) The preparation of user-friendly reports, including information gathered on service indicators, service delivery performance and budgets.

(b) The establishment of a social accountability process aimed at collecting, systematizing and channeling feedback through participatory mechanisms, testing and adjustment based on pilot results.

(c) The implementation of an information, education and communication campaign targeting different audiences, including, *inter alia*, citizens, service users, service providers, CSOs, and particularly those located close to the Project’s targeted health and education facilities.
The creation of a national network for social accountability aimed at: (i) fostering a culture of evidence-based, collaborative dialogue and consensus-building around critical budget and sector reforms; and (ii) creating a platform to share information and results generated in the framework of the Project with relevant stakeholders.

Part 2. Closing the Feedback Loop in Health and Education

Carrying out a program of activities aimed at improving health and education services through constructive engagement among citizens, state institutions and decision-makers, such activities to include:

(a) The dissemination of health and education generated information to relevant public sector institutions.

(b) Follow-up on public sector institutions’ decisions and measures.

(c) Periodic collaborative policy dialogues with public sector institutions and other relevant stakeholders in the context of the national network for social accountability.

Part 3. Managing Knowledge and Learning, and Project Coordination

Establishing the Project’s operational processes through: (a) the provision of on-going mentoring and technical assistance to local coordinators and CSOs involved in the social accountability process; (b) the utilization of analytical and learning products aimed at generating new knowledge, and fostering knowledge exchange among network’s members; (c) the setting up of an integrated monitoring and evaluation system as well as a knowledge management system; and (d) the carrying out of Project’s coordination and monitoring and evaluation.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Department of Studies and Documentation in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements. Without limitations upon the provisions of Section 2.02 above, the Recipient shall ensure that at all times during Project implementation, the Department of Studies and Documentation maintain staff in adequate numbers, with functions and resources satisfactory to the World Bank to carry out the Project.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Member Country’s territory for purposes related to the Project.
2.05. **Project Monitoring, Reporting and Evaluation.** (a) 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 and set forth below in paragraph (b). Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

   (i) Number of health and education facilities covered by the Project.
   (ii) Service access and quality indicators developed, tested and disseminated in all Project’s target facilities.
   (iii) A service monitoring platform for users and service producers is developed, tested and fully operational.

(c) 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 (6) months after the Closing Date.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) 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) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. **Procurement.** All goods and/or consulting services required for the Project and to be financed, fully or partially, out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised in July 2014 (“Procurement Guidelines”), and the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011 and revised in July 2014 (“Consultant Guidelines”).

2.08. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the World Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.
Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. 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 100% of Eligible Expenditures consisting of: goods, consultants’ services (including audits), Operating Costs and Training, inclusive of Taxes, and excluding works, art, furniture, carpets, vehicles and generators.

For the purpose of this paragraph, the terms:

(i) “Training” means expenditures incurred by the Recipient to conduct training, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services); and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred by the Recipient on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, salaries of contractual staff for the Project (but excluding consultants’ services) and any other reasonable expenditures as may be agreed upon by the World Bank.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is four (4) years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its President.
4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

*Union Générale Tunisienne du Travail*
26 Rue Med Ali
1001 Tunis
Republic of Tunisia

Facsimile:

+216 71 354 114 / 71 345 600

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

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

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

Washington, D.C.