

No. 8903

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
TUNISIA**

**Development Credit Agreement—*Second Education Project*  
(with related letters and annexed Development Credit  
Regulations No. 1). Signed at Washington, on 16 Sep-  
tember 1966**

*Official text: English.*

*Registered by the International Development Association on 9 January 1968.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
TUNISIE**

**Contrat de crédit de développement — *Deuxième projet re-  
latif à l'enseignement* (avec lettres y relatives et, en  
annexe, le Règlement n° 1 sur les crédits de développe-  
ment). Signé à Washington, le 16 septembre 1966**

*Texte officiel anglais.*

*Enregistré par l'Association internationale de développement le 9 janvier 1968.*

No. 8903. DEVELOPMENT CREDIT AGREEMENT<sup>1</sup> (*SECOND EDUCATION PROJECT*) BETWEEN THE REPUBLIC OF TUNISIA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 16 SEPTEMBER 1966

AGREEMENT, dated September 16, 1966, between the REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

*Article I*

CREDIT REGULATIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,<sup>2</sup> with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) :

(a) The second sentence of Section 2.02 is amended by deleting the words “ at the same rate ” and substituting therefor the words “ at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum ”.

(b) Section 3.01 is deleted and the following new Section is substituted therefor :

“ SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn*

“ (a) Except as the Borrower and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

“ (b) The proceeds of the Credit shall be withdrawn from the Credit Account :

- (i) on account of expenditures in currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower, in such currency or currencies as the Association shall from time to time reasonably select;

<sup>1</sup> Came into force on 20 December 1966, upon notification by the Association to the Government of Tunisia.

<sup>2</sup> See p. 314 of this volume.

(ii) in all other cases, in the currency in which the cost of the goods financed out of such proceeds has been paid or is payable.

“(c) The Borrower and the Association may from time to time agree on any other currency in which withdrawals shall be made.”

(c) A new Section 3.04 is inserted after Section 3.03 as follows :

“SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency*

“If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purpose of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03.”

(d) Section 3.04 is renumbered as Section 3.05.

(e) Paragraph (j) of Section 5.02 is deleted and the following new paragraph is substituted therefor :

“(j) Failure by the Borrower to fulfill an obligation to make payment of principal or interest or any other payment required under the Development Credit Agreement or under any other development credit agreement between the Borrower and the Association or under any loan agreement or guarantee agreement between the Borrower and the Bank or under any bond delivered pursuant to any such agreement even though payment has been made by other persons.”

(f) Section 8.04 is deleted.

(g) Section 8.05 is renumbered as Section 8.04.

## Article II

### THE CREDIT

*Section 2.01.* The Association agrees to make available to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to thirteen million dollars (\$13,000,000).

*Section 2.02.* The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Development Credit Agreement.

*Section 2.03.* Except as the Association and the Borrower shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account :

- (a) such amounts as shall be the equivalent of 66 per cent (or such other percentage as may from time to time be established by agreement between the Borrower and the Association) of such amounts as shall have been expended for the reasonable cost of goods required for carrying out the Project; and
- (b) if the Association shall so agree, such amounts as shall be required to meet payments under (a) above;

provided, however, that no withdrawals shall be made on account of expenditures prior to April 1, 1966.

*Section 2.04.* The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

*Section 2.05.* Service charges shall be payable semiannually on May 15 and November 15 in each year.

*Section 2.06.* The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semiannual installments payable on each May 15 and November 15 commencing November 15, 1976 and ending May 15, 2016, each installment to and including the installment payable on May 15, 1986, to be one-half of one per cent ( $\frac{1}{2}$  of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ( $1\frac{1}{2}$ %) of such principal amount.

### *Article III*

#### USE OF THE PROCEEDS OF THE CREDIT

*Section 3.01.* The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule to this Agreement. The specific goods to be financed out of the proceeds of the Credit and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

*Section 3.02.* Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project.

*Article IV*

## PARTICULAR COVENANTS

*Section 4.01.* (a) The Borrower shall (i) carry out or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical standards and with due regard to economy; (ii) cause the schools included in the Project to be operated under sound and qualified administration and to be provided with qualified teachers in adequate numbers; and (iii) provide, promptly as needed, funds, facilities, services and other resources required for these purposes.

(b) 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.

(c) Except as the Association shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced architects, engineers and other consultants acceptable to the Borrower and the Association, upon terms and conditions satisfactory to the Borrower and the Association.

(d) Except as the Association shall otherwise agree, the Borrower shall cause the Project to be carried out by contractors acceptable to the Borrower and the Association employed under contracts satisfactory to the Borrower and the Association.

(e) Except as the Association shall otherwise agree, the Borrower shall furnish or cause to be furnished to the Association for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and any material modification subsequently made therein, in such detail as the Association shall request.

*Section 4.02.* The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the administration, operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

*Section 4.03.* The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request with regard to the operation of the school system of the Borrower and programs for educational development in its territories. The Borrower shall afford the Association an opportunity to exchange views with the Borrower with respect thereto.

*Section 4.04. (a)* The Borrower and the Association shall cooperate fully to ensure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and to the international balance of payments position of the Borrower.

*(b)* The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

*(c)* The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

*Section 4.05. (a)* The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Association for insurance against such risks and in such amount as shall be consistent with sound practice.

*(b)* Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to 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.

*Section 4.06.* The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

*Section 4.07.* The Development Credit Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

*Article V*

## REMEDIES OF THE ASSOCIATION

*Section 5.01.* (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time during the continuance thereof the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

*Article VI*

## MISCELLANEOUS; TERMINATION

*Section 6.01.* The Closing Date shall be December 31, 1970 or such other date as may from time to time be agreed between the Borrower and the Association.

*Section 6.02.* If this Development Credit Agreement shall not have become effective by December 20, 1966, this Development Credit Agreement and all obligations of the parties hereunder shall terminate, unless the Association, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The Association shall promptly notify the Borrower of such later date.

*Section 6.03.* The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

Secrétariat d'État au Plan et à l'Économie Nationale  
Place du Gouvernement  
Tunis, Tunisia

Alternative address for cables and radiograms :

Secrétariat d'État au Plan et à l'Économie Nationale  
Tunis, Tunisia

For the Association :

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

Alternative address for cables and radiograms :

INDEVAS  
Washington, D.C.

*Section 6.04.* The *Secrétaire d'État au Plan et à l'Économie Nationale* of the Borrower is designated for the purpose of Section 7.03 of the Regulations.

IN WITNESS WHEREOF the parties hereto acting through their representatives thereunto duly authorized, have caused this Development Credit Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Tunisia :  
By Rachid DRISS  
Authorized Representative

International Development Association :  
By George D. WOODS  
President

#### SCHEDULE

##### DESCRIPTION OF PROJECT

The Project consists of :

A. Construction, furniture and equipment of the following nine new schools :

- (1) Akouda-Kalaa, Collège Secondaire et Moyen Mixte—for 1,400 students;
- (2) Dubosville, Collège Secondaire et Moyen Mixte—for 1,400 students;
- (3) Houmt-Souk, Lycée Mixte—for 2,500 students;
- (4) Kebili, Collège Secondaire et Moyen Mixte—for 900 students;
- (5) Kerkennah, Collège Secondaire et Moyen Mixte—for 900 students;
- (6) Mateur, Collège Secondaire et Moyen Mixte—for 1,400 students;
- (7) Moknine, Collège Secondaire et Moyen Mixte—for 1,300 students;
- (8) Sidi-Bouزيد, Collège Secondaire et Moyen Mixte—for 1,400 students;
- (9) Souk-el-Arbaa (Jendouba), Collège Secondaire et Moyen de Jeunes Filles—for 1,300 students.

B. Construction, furniture and equipment for extensions to the following six schools :

- (1) Gabès, Lycée de Garçons—for 1,400 additional students;
- (2) Gabès, Collège Moyen de Garçons—for 600 additional students;
- (3) Kairouan, Lycée de Garçons—for 1,260 additional students;
- (4) Menzel-Bourguiba, Lycée Mixte—for 800 additional students;
- (5) Radès, Lycée Technique—for 1,000 additional students;
- (6) Rhalia Park Tunis, Lycée de Jeunes Filles—for 1,050 additional students.



C. Equipment only for the following sixteen schools :

- (1) Bardo, Collège Secondaire et Moyen de Jeunes Filles;
- (2) Djebeniana, Collège Secondaire et Moyen Mixte;
- (3) Gabès, Collège Secondaire et Moyen de Jeunes Filles;
- (4) Hammam-Lif, Collège Secondaire et Moyen de Jeunes Filles;
- (5) Kasserine, Collège Secondaire et Moyen Mixte;
- (6) Maharès, Collège Secondaire et Moyen Mixte;
- (7) Mahdia, Lycée Mixte;
- (8) Maktar, Collège Secondaire et Moyen Mixte;
- (9) Medenine, Collège Secondaire et Moyen Mixte;
- (10) Nabeul, Lycée de Garçons;
- (11) Souk-el-Arbaa, Collège Secondaire et Moyen de Garçons;
- (12) Sousse, Lycée de Garçons;
- (13) Sousse, Collège Secondaire et Moyen Mixte;
- (14) Tozeur, Collège Secondaire et Moyen Mixte;
- (15) Tunis-Bab el Khadra, Collège Secondaire et Moyen de Garçons;
- (16) Tunis-Montfleury, Lycée de Jeunes Filles.

D. Construction, furniture and equipment of the following three new Agricultural Training Centers :

- (1) Sbikha—for 360 students;
- (2) Sbeitla—for 360 students;
- (3) Takelsa—for 360 students.

It is expected that the Project will be completed by the middle of 1969.

LETTERS RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*Procurement*

Dear Sirs :

Reference is made to Section 3.01 of the Development Credit Agreement (*Second Education Project*) of even date herewith between us.

We wish to confirm our agreement as follows, with respect to the procurement of all goods and services for the Project :

1. Civil works contracts and contracts for procurement of school furniture and equipment shall be awarded on the basis of international competitive bidding. In awarding such contracts, we shall abide by the procedures set forth in the " Guidelines Relating to

Procurement under World Bank Loans and IDA Credits”, dated June 5, 1964, copies of which have been submitted to us by the Association. As you have been informed, these procedures are consistent with those set forth in our “Cahier des Clauses et Conditions Générales”, copy of which has been submitted to you.

## 2. Civil Works Contracts

(a) With respect to each civil works contract involving an amount of \$100,000 equivalent or more, we shall at the time of calling for bids, submit to you copies of the bid invitation documents (including a description of the method to be used for obtaining bids) for your approval. After bids are received we shall submit to you a summary analysis of the bids, our recommendation for the award, and a copy of the draft contract for your approval.

(b) With respect to each civil works contract involving an amount below \$100,000 equivalent, we shall submit to the Association, at the time the award is made, copies of the bid invitation documents (including evidence of the method of obtaining bids) and a summary analysis of the bids received.

(c) As soon as a contract has been signed, we shall send a copy thereof to the Association.

(d) With respect to all civil works contracts, we shall submit to the Association for approval any proposal for a subsequent change of contract which would increase the amount payable by more than 10% of the original contract amount, provided that the proposed increase is not less than \$20,000 equivalent in each particular contract.

## 3. Furniture and Equipment Contracts

(a) With respect to each contract for procurement of school furniture and equipment, we shall, when calling for bids, submit to you copies of the bid invitation documents (including a description of the method to be used for obtaining bids).

(b) For the purposes of comparing bids of imported goods and of goods produced in Tunisia, the evaluation will be made as follows: (i) the price of imported goods shall consist exclusively of (A) the c.i.f. cost of such goods and (B) a margin of up to 15% of such c.i.f. cost; (ii) the price of goods produced in Tunisia shall consist exclusively of the ex-factory price of such goods (minus customs duties paid on the occasion of the importation of raw material used in the manufacturing of such goods).

(c) For contracts involving an amount of \$30,000 or more, we shall submit to you, prior to awarding the contract, a summary analysis of the bids received, our recommendation for the award, and a copy of the draft contract for your approval.

(d) For contracts involving an amount below \$30,000 equivalent, we shall submit to the Association, immediately after the signing of the contract, a summary analysis of the bids received for information.

(e) As soon as a contract has been signed, we shall send a copy thereof to the Association.

4. Since it is our common objective that the Project be completed without undue delay, we are happy to note that the Association will co-operate with us to the effect that the procedure herein described be carried out as expeditiously as possible.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Tunisia :

By Rachid DRISS  
Authorized Representative

*Confirmed:*

International Development Association :

By A. G. El EMARY  
Director, Africa Department

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*List of Schools*

Dear Sirs :

Please refer to the Schedule to the Development Credit Agreement (*Second Education Project*) of even date herewith between the Republic of Tunisia and the International Development Association.

The schools referred to in Categories A, B and D of such Schedule are set forth in the Annex A to this letter and describe the accommodation to be provided in each school.

Please indicate your agreement with the contents of Annex A hereto by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Tunisia :

By Rachid DRISS  
Authorized Representative

*Confirmed:*

International Development Association :

By A. G. El EMARY  
Director, Africa Department

## ANNEX A

No. 8903

	<i>Number of Ordinary Classrooms</i>	<i>Number of Specialized Rooms</i>	<i>Number of Workshops</i>	<i>Admin. Rooms</i>	<i>Gym.</i>	<i>Dormitory Accommodations (boarders)</i>	<i>Kitchen and Dining Accommodations (diners)</i>	<i>Staff Houses</i>
<i>New Schools</i>								
	CATEGORY A							
1. Akouda-Kalaa . . . . .	20	9	6	8	1	360	660	4
2. Dubosville . . . . .	20	9	6	8	1	480	780	4
3. Hourmt-Souk . . . . .	40	24	6	8	—	864	1,464	4
4. Kebili . . . . .	13	6	3	8	1	480	880	4
5. Kerkennah . . . . .	13	6	3	8	1	240	640	4
6. Mateur . . . . .	20	9	6	8	1	720	1,120	4
7. Moknine . . . . .	19	9	6	8	1	288	638	4
8. Sidi Bouzid . . . . .	20	9	6	8	1	480	780	4
9. Souk-El-Arbaa (Jendouba) .	19	9	6	8	1	480	780	4
Total	184	90	48	72	8	4,392	7,742	36
<i>Extensions</i>								
	CATEGORY B							
10. Gabès—Lycée Boys . . . . .	20	18	5	6	—	360	660	3
11. Gabès—Collège Moyen . . .	10	7	6	5	—	—	—	3
12. Kairouan . . . . .	—	24	6	—	—	—	—	—
13. Menzel-Bourguiba . . . . .	8	12	1	4	—	380	640	1
14. Radès . . . . .	22	13	—	7	—	—	—	—
15. Rhalia Park . . . . .	20	4	—	—	—	—	—	—
Total	80	78	18	22	—	740	1,300	7
<i>Agricultural Centers</i>								
	CATEGORY D							
16. Sbikha . . . . .	4	2	—	6	—	360	360	3 + 6 flats
17. Sbeitla . . . . .	4	2	—	6	—	360	360	3 + 6 flats
18. Takelsa . . . . .	4	2	—	6	—	360	360	3 + 16 flats
Total	12	6	—	18	—	1,080	1,080	9 + 28 flats (of 1 or 2 rooms)
GRAND TOTAL	276	174	66	112	8	6,212	10,122	52 + 28 flats (of 1 or 2 rooms)

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*School Planning Division in the Ministry of Education*

Dear Sirs :

With reference to Section 4.01(a) of the Development Credit Agreement (*Second Education Project*) of even date herewith between us, we wish to confirm that, consistent with our policy concerning the staffing of our agencies, it is our intention to strengthen the staff of the School Planning and Building Division in the Ministry of Education.

Very truly yours,

Republic of Tunisia :  
By Rachid DRISS  
Authorized Representative

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*Recurrent Education Budget*

Dear Sirs :

With reference to the Development Credit Agreement (*Second Education Project*) of even date herewith between us, we recognize the need to prevent the total recurrent budget expenditures from increasing at a rate materially greater than the rate of growth of the national product. This objective will be attained without affecting the quality of teaching.

To this effect a review will be made, directed at exploring possible economies such as reducing the number of expatriate teachers by expanding secondary training facilities for Tunisian teachers. This review will begin immediately, the results to become fully effective as of the beginning of the fiscal year 1970. We shall keep you informed of the proposed steps and of their results.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Tunisia :  
By Rachid DRISS  
Authorized Representative

*Confirmed:*

International Development Association :

By A. G. El EMARY  
Director, Africa Department

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*Educational Objectives*

Dear Sirs :

With reference to the Development Credit Agreement (*Second Education Project*) of even date herewith between us we wish to confirm our intentions with respect to our educational objectives as follows :

(a) Additional effort will be made to decrease the high percentages of " repeaters " and " drop-outs " in all schools.

(b) Following the recent government decision to revise the distribution of students in the *collège moyen* system so that 17% of the total enrollment is in the general course instead of the previous figure of 20%, the Tunisian authorities will endeavor to rectify the present tendency of permitting a high proportion of students to enter the general course.

(c) In view of the increasing opportunities for women's employment, the Tunisian authorities will undertake to introduce a wider choice of women's special subjects in the *collège moyen* system and in secondary schools.

(d) Measures will be taken to increase the number of hours devoted to technological studies and experimental science in the " Industrial " section (mechanical engineering course) of the second secondary cycle.

(e) In keeping with our objective of emphasizing science teaching in secondary schools, the Tunisian authorities will continue to strengthen the measures which have already been taken to make more effective use of laboratory accommodation and equip-

ment by strengthening the practical (experimental) work undertaken by the students either as individuals or as groups.

(f) To arouse pupils' interest in agriculture, consideration will be given to the feasibility of initiating, by way of extracurricular work, the pupils in primary rural schools to prevailing agriculture practices.

(g) The measures which have been taken to strengthen the cooperation between the Ministries of Education and of Social Affairs in the field of professional training shall be continued.

We shall keep you informed of our progress and of the results attained in each of the points mentioned above.

Very truly yours,

Republic of Tunisia :  
By Rachid DRISS  
Authorized Representative

REPUBLIC OF TUNISIA

September 16, 1966

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 94 TUN (Second Education Project)*  
*Currency of Payment*

Dear Sirs :

We refer to the Development Credit Agreement (*Second Education Project*) of even date herewith between us and to Section 3.02 of the Regulations referred to therein. Pursuant to such Section we hereby request your agreement as follows:

(i) Except as hereinafter provided, the principal amount of, and service charges on, the Credit provided for in such Agreement shall be payable in the currency of the United States of America.

(ii) If at any time we shall desire that, commencing with a given future payment date, such principal and service charges shall be payable in an eligible currency other than that specified in (i), or than one designated under this clause (ii), or selected pursuant to clause (iv), we shall deliver to the Association, not less than 3 nor more than 4 months prior to such payment date, a notice in writing to that effect and designating such other eligible currency, whereupon the currency so designated shall, commencing with such payment date, be the currency in which such principal and service charges shall be payable.

(iii) If at any time the Association shall determine that a currency payable pursuant to the provisions of this letter is not an eligible currency, the Association shall so notify us in writing and furnish us with a list of eligible currencies.

(iv) Within thirty days from the date of such notice we shall notify the Association in writing of our selection of a currency from such list in which payment shall be made, failing which the Association shall select a currency for such purpose from such list, whereupon, in either case, such principal and service charges shall, commencing with the payment date next succeeding such thirty-day period, be payable in the currency so selected.

(v) For the purposes of this letter, "eligible currency" means any currency of a member of the Association which the Association at the relevant time determines to be freely convertible or freely exchangeable by it for currencies of other members of the Association for the purposes of its operations.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Tunisia :  
By Rachid DRISS  
Authorized Representative

*Confirmed:*

International Development Association :

By A. G. El EMARY  
Director, Africa Department

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS  
WITH MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 415, p. 68.*]