

No. 11993

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
TUNISIA**

**Development Credit Agreement—*Fisheries Project* (with
schedules and General Conditions Applicable to Development
Credit Agreements). Signed at Washington on 24 September
1971**

Authentic text: English.

Registered by the International Development Association on 26 September 1972.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
TUNISIE**

**Contrat de crédit de développement — *Projet relatif aux
pêcheries* (avec annexes et Conditions générales applicables
aux contrats de crédit de développement). Signé à Washington
le 24 septembre 1971**

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 26 septembre 1972.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated September 24, 1971, between the REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) The Borrower has requested the Association to assist in the financing of the foreign exchange cost of the Project described in Schedule 2 to this Agreement by extending the Credit as hereinafter provided;

(B) The Project will be substantially carried out by Banque Nationale de Tunisie (hereinafter called BNT) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to BNT proceeds of the Credit as hereinafter provided; and

(C) The Association is willing to make the Credit available upon the terms and conditions set forth hereinafter and in a project agreement of even date herewith² between the Association and BNT;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,³ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions) :

- (a) Sections 5.01 and 6.02 (*h*) are deleted;
- (b) Section 6.02 (*i*) is renumbered into Section 6.02 (*h*);
- (c) Section 6.06 is amended by inserting the words " the Project Agreement " after the words " the Development Credit Agreement ";

¹ Came into force on 24 May 1972, upon notification by the Association to the Government of Tunisia.

² The said Agreement entered into force on 24 May 1972. As it does not constitute an international agreement, it is not reproduced herein. However, it was published by the Association as document CN 270 TUN, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Development Credit Agreement.

³ See p. 250 of this volume.

(d) Section 8.02 is amended by inserting the words “ or under the Project Agreement ” after the words, “ the Development Credit Agreement ”; and

(e) The following sub-paragraph is added to Section 2.01 : “ 13. The term ‘ Project Agreement ’ shall have the meaning set forth in the Development Credit Agreement ”.

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

(a) The term “ Project Agreement ” means the agreement between the Association and BNT of even date herewith, as the same may be amended from time to time, and such term includes all schedules to the Project Agreement;

(b) “ Subsidiary Loan Agreement ” means the agreement to be entered into between the Borrower and BNT pursuant to Section 3.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Loan Agreement;

(c) the term “ Direction des services des pêches ” (hereinafter called DSP) means the Directorate of Fisheries of the Borrower;

(d) The term “ Fisheries Project Division ” (hereinafter called FPD) means a division to be established within DSP under the Project;

(e) The term “ Banque Nationale de Tunisie ” and the letters BNT mean the entity which is entrusted with carrying out Parts A and C of the Project under the Project Agreement and the Subsidiary Loan Agreement;

(f) The term “ Fonds Spécial d’Encouragement à la Pêche ” (hereinafter called FOSEP) means the Special Fund for Fisheries Development established by the Borrower and administered by BNT;

(g) The term “ sub-loan ” means a loan to be granted by BNT under Part A of the Project; and

(h) The term “ sub-borrower ” means the recipient of a sub-loan.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to two million dollars (\$2,000,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures

made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed under the Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawals shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Association shall otherwise agree, the goods and services (other than spare parts and services of experts) required for the Project and to be financed out of the proceeds of the Credit, shall be procured on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, as revised in May 1971, and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be December 31, 1976 or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. 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 2.06. Service charges shall be payable semiannually on April 15 and October 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each April 15 and October 15 commencing October 15, 1981, and ending April 15, 2021, each installment to and including the installment payable on April 15, 1991, 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.

Section 2.08. The Currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. (a) The Borrower shall cause DSP to carry out Parts B and D of the Project with due diligence and efficiency and in conformity with sound administrative, engineering, fisheries and training practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose of the Project.

(b) The Borrower shall relend for the purpose of carrying out Part A of the Project an amount equivalent to one million eight hundred and thirty thousand dollars (\$1,830,000) out of the proceeds of the Credit to BNT under a subsidiary

loan agreement between the Borrower and BNT upon terms and conditions satisfactory to the Association, including *inter alia* the following :

- (i) amortization in fifteen years including a five years' grace period and interest rate of three per cent (3%) per annum on the principal amount outstanding from time to time; and
- (ii) the Borrower shall assume fifty per cent (50%) of any losses incurred by BNT due to default by sub-borrowers.

(c) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and except as the Association shall otherwise agree, the Borrower shall not assign, nor amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

(d) The Borrower shall take and shall cause all its agencies to take all action which shall be necessary on their part to enable BNT to perform all of its obligations under the Project Agreement and the Subsidiary Loan Agreement and shall not take or permit to be taken any action which might interfere with such performance.

Section 3.02. (a) The Borrower shall insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Credit against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

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

Section 3.03. The Borrower shall (i) maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Credit, and to disclose the use thereof in the Project; (ii) enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents; and (iii) furnish to the Association all information as the Association shall reasonably request concerning the Project, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Section 3.04. The Borrower shall establish, within DSP and under the direct responsibility of the Director of Fisheries Services, a Fisheries Project Division (FPD) whose responsibilities under the Project are set forth in Schedule 4 to this Agreement.

Section 3.05. The Borrower shall appoint the following personnel and experts to staff FPD :

- (a) a chief of the Project who shall be a qualified and experienced expert in inshore fisheries, preferably with experience in fisheries credit operations, together with a counterpart who shall be a qualified and experienced specialist in inshore fisheries and fisheries credit;
- (b) a qualified and experienced expert in naval architecture together with a counterpart;
- (c) a qualified and experienced expert in naval carpentry; and
- (d) three officers qualified and experienced in inshore fisheries operations.

Section 3.06. (a) The experts referred to in Section 3.05 (a), (b) and (c) shall be appointed after consultation with the Association and shall be employed on terms and conditions satisfactory to the Association.

(b) The Borrower shall provide the personnel and the experts referred to in Section 3.05 of the Agreement with appropriate supporting services, including *inter alia* appropriate means of transportation.

Section 3.07. The Borrower shall enter into an agreement satisfactory to the Association with BNT whereby FPD shall carry out technical appraisals of all fisheries sub-loan applications under the Project and subsequent technical supervision of sub-loans under the Project.

Section 3.08. The Borrower shall take all legal action to ensure that the terms and conditions which govern the funds administered through FOSEP, for procurement of motorized inshore fishing boats, are consistent with the terms and conditions set forth in Section 2.06 (a), (b) (ii) and (iii), (c) and (d) of the Project Agreement.

Section 3.09. Unless the Borrower and the Association shall otherwise agree, in respect to fully equipped motorized fishing boats financed under the Project the Borrower shall make available in advance to BNT (i) a supplementary loan, under terms and conditions consistent with the terms and conditions set forth in the Subsidiary Loan Agreement equal to five per cent (5%) and (ii) a grant equal to fifteen per cent (15%) of the investment cost of such boats.

Article IV

OTHER COVENANTS

Section 4.01. The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.02. The Borrower shall cause DSP to take out and maintain with responsible insurers, or to make other provision satisfactory to the

Association for, insurance against such risks and in such amounts as shall be consistent with sound practice.

Section 4.03. The Borrower shall cause the fishing boats financed under the Project to be built and equipped in accordance with designs, standards and technical specifications satisfactory to the Association.

Section 4.04. The specific conditions under which firms partly owned or controlled, directly or indirectly, by the Borrower would be eligible to supply marine diesel engines under the Project shall be as set forth in Schedule 5 to this Agreement.

Section 4.05. The Borrower shall make all necessary arrangements satisfactory to the Association to provide the counterpart referred to in Section 3.05 (b) with an adequate overseas training.

Section 4.06. The Borrower shall promptly take, on certification by DSP that they are required for carrying out the Project, all measures to permit the importation of fishing boats, boat building materials, equipment, gear and spare parts (including marine diesel engine spare parts).

Article V

CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the performance by BNT of its obligations under the Project Agreement, the administration, operations and financial condition, resources and expenditures of BNT and, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, and other matters relating to the purposes of the Credit; and
- (b) 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations and financial condition, resources and expenditures

of BNT and, in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower and the Association shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service thereof, the performance by either of them of its obligations under the Development Credit Agreement or the performance by BNT of its obligations under the Project Agreement and the Subsidiary Loan Agreement.

Section 5.03. The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit headquarters and branches of BNT and inspect any relevant records and documents and to visit any part of the territories of the Borrower for purposes related to the Credit.

Article VI

TAXES AND RESTRICTIONS

Section 6.01. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.02. The Development Credit Agreement and the Project Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII

REMEDIES OF THE ASSOCIATION

Section 7.01. If any event specified in Section 7.01 of the General Conditions, or in Section 7.03 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Section 7.02. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified :

- (a) BNT shall have failed to perform any covenant, agreement or obligation of BNT under the Project Agreement;
- (b) An extraordinary situation shall have arisen which shall make it improbable that BNT will be able to perform its obligations under the Project Agreement;
- (c) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of BNT or for the suspension of its operations;
- (d) Any part of the principal amount of any loan to BNT having an original maturity of one year or more shall, in accordance with its terms, have become due and payable in advance of maturity as provided in the relative contractual instruments, or any security for any such loan shall have become enforceable;
- (e) The BNT Articles of Agreement (*Statuts*) shall have been amended or repealed so as to affect materially and adversely the operations or financial condition of BNT; and
- (f) A subsidiary or any other entity shall have been created or acquired or taken over by BNT, if such creation, acquisition or taking over would adversely affect the conduct of BNT's business or BNT's operations or financial situation.

Section 7.03. For the purposes of Section 7.01 of the General Conditions, the following additional events are specified :

- (a) the events specified in Section 7.02 (a) and (f) of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower and BNT;
- (b) any other event specified in Section 7.02 of this Agreement shall occur.

Article VIII

EFFECTIVE DATE; TERMINATION

Section 8.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions :

- (a) The Project Agreement has been duly executed and delivered on behalf of BNT;
- (b) The Subsidiary Loan Agreement referred to in Section 3.01 (b) has been duly executed and delivered on behalf of the Borrower and BNT, respectively;
- (c) The division within DSP referred to in Section 3.04 of this Agreement has been established;

- (d) The experts and the personnel referred to in Section 3.05 (a), (b) and (d) of this Agreement have been duly appointed;
- (e) The agreement relating to technical appraisals for BNT between the Borrower and BNT referred to in Section 3.07 of this Agreement has entered into full force and effect;
- (f) The personnel, within BNT, specialized in fisheries credit referred to in Section 3.01 of the Project Agreement have been duly appointed; and
- (g) The legal action referred to in Section 3.08 of this Agreement has been duly taken and made effective by the Borrower.

Section 8.02. The following are specified as additional matters, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association.

- (a) That the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, BNT and constitutes a valid and binding obligation of BNT in accordance with its terms; and
- (b) That the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and BNT, respectively, and constitutes a valid and binding obligation of the Borrower and BNT in accordance with its terms.

Section 8.03. The date November 24, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.04. The obligations of the Borrower under Section 4.02 of this Agreement and the provisions of paragraphs (c), (d), (e), (f) and (g) of Section 7.02 of this Agreement shall cease and terminate on the date on which the Development Credit Agreement shall terminate or on a date sixteen years after the date of this Agreement, whichever shall be earlier.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The *Ministre délégué auprès du Premier Ministre chargé du Plan* of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions.

For the Borrower :

Ministère du Plan

1, rue de Béja

Tunis, Tunisia

Cable address :

Ministère du Plan

Tunis

For the Association :

International Development Association

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Cable address :

Indevas

Washington, D.C.

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

Republic of Tunisia :

By SLAHEDDINE EL GOULLI

Authorized Representative

International Development Association :

By J. BURKE KNAPP

Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

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

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>Percentage of Expenditures to be Financed</i>
I. Disbursements actually effected by BNT on account of sub-loans for investments in fishing boats and gear	1,637,000	90% of such disbursements (representing the estimated foreign expenditure component)
II. Supporting Services, overseas training by FPD and Vehicles	113,000	100% of foreign expenditures
III. Marine Diesel Engine Spare Parts	70,000	100% of foreign expenditures
IV. Unallocated	180,000	
	TOTAL <u>2,000,000</u>	

2. For the purposes of this Schedule the term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any member of the Bank (other than the Borrower) or of Switzerland.

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

- (a) expenditures prior to the date of this Agreement; and
- (b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories of goods or services, or on the importation, manufacture, procurement or supply thereof.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above :

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit; and
- (b) if the estimate of the expenditures under any Category shall increase, a corresponding amount will be allocated by the Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditure.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

6. If any surplus funds are left in the Credit account they shall be applied toward additional credit for fishing boats after agreement between the Borrower and the Association.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of the following parts :

- A. Provision of about 335 motorized fishing boats and fishing gear to qualified fishermen through a credit program to be administered by BNT.
- B. Staffing and equipment of FPD, including recruitment of specialists to provide know-how in modern inshore fishing techniques and design and construction of fishing boats, and to carry out technical appraisals of loan applications and supervision of sub-loans.

- C. Provision and equipment of fisheries credit staff and of their supporting services within BNT to carry out financial appraisals of loan applications and to supervise sub-loans.
- D. Provision of training for skippers and overseas training for selected staff of FPD.
- E. Provision of spare parts for marine diesel engines.
- F. Provision of additional fishing boats if any surplus funds are left in the Credit Account.

SCHEDULE 3

PROCUREMENT

1. With respect to any contract for the bulk procurement of about 335 fishing boats :

(a) If bidders are required to prequalify, DSP shall, before qualification is invited, inform the Association in detail of the procedure to be followed and shall introduce such modifications in said procedure as the Association shall reasonably request. The list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished by DSP to the Association for its comments before the applicants are notified and DSP shall make such additions or deletions from the said list as the Association shall reasonably request.

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

(c) After bids have been received and evaluated, DSP shall, before a final decision on the award is made, inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish to the Association, in sufficient time for its review, a detailed report on the evaluation and comparison of the bids received, together with the reasons for the intended award. The Association shall promptly inform DSP whether it has any objection to the intended award on the ground that it would be inconsistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement or with the Development Credit Agreement, and shall state the reasons for any objections it may have.

(d) If the contract shall be awarded over the Association's reasonable objection, or if its terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditure thereunder shall be financed out of the proceeds of the Credit.

(e) DSP shall handle all contracts for the bulk procurement of the fishing boats on behalf of sub-borrowers.

(f) Two copies of the contract shall be furnished to the Association promptly after its execution and prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract.

2. DSP shall invite bids for motorized fishing boats on behalf of fishermen participating in BNT's fisheries credit program under the project as follows :

(a) Under a bulk tender bids shall be invited for the delivery of about 335 motorized fishing boats spread over a period of about three years according to expected inflow of loan applications by fishermen as estimated at the time of tender issue.

(b) In order to qualify a bid submitted by any supplier shall be for not less than 10 boats for a delivery period spread over twelve months.

(c) At the time of tender issue, firm bids shall be invited for a total of not less than 50 motorized fishing boats.

3. DSP shall invite the following tenders, all at the same date :

- (a) internationally (including from Tunisian suppliers) for complete fishing boats, including installed marine diesel engines, but excluding fishing gear;
- (b) from Tunisian boatyards only, for fishing boat hulls, excluding engines and fishing gear, but including cost of installing engines; and
- (c) internationally (including from Tunisian suppliers) for marine diesel engines to be installed in fishing boat hulls.

4. For the purpose of evaluating bids for fishing boats and engines, included in Category I of the table set out in paragraph 1 of the Schedule 1 of this Agreement, bids shall be determined and bid prices compared in accordance with the following rules :

(a) The term "Tunisian Complete Boat Bid" means a bid submitted by a boat builder established in the territories of the Borrower for fishing boats manufactured or processed to a substantial extent (as reasonably determined by the Association) in such territories, complete with installed marine diesel engines, fully rigged but excluding fishing gear, tested and made ready for fishing operation; any other bid for complete boats shall be deemed to be a "Foreign Complete Boat Bid".

(b) The term "Tunisian Boat Hull Bid" means a bid submitted by a boat builder established in the territories of the Borrower for fishing boat hulls manufactured or processed to a substantial extent (as reasonably determined by the Association) in such territories, excluding marine diesel engines and fishing gear, but including cost of installation of marine diesel engines, rigging and making ready boats for fishing operation; no bids for fishing boat hulls shall be accepted except from such Tunisian boat builders.

(c) The term "Tunisian Marine Engine Bid" means a bid submitted by a manufacturer established in the territories of the Borrower for marine diesel engines

manufactured or processed to a substantial extent (as reasonably determined by the Association) in such territories; any other bid for marine diesel engines shall be deemed to be a "Foreign Marine Engine Bid".

(d) The bid price for a "Tunisian Complete Boat Bid" shall be the ex-boatyard price of such fishing boats, fully rigged, but excluding fishing gear, tested and made ready for fishing operation.

(e) The bid price for a "Foreign Complete Boat Bid" shall be the sum of the following amounts :

- (i) the c.i.f. price of such fishing boats;
- (ii) the amount of any taxes on the importation of such fishing boats into the territories of the Borrower which generally apply to non-exempt importers, or 15% of the amounts specified in (i) above, whichever shall be the lower; and
- (iii) the cost of rigging, testing and making ready for fishing operation such fishing boats at the ports of entry.

(f) The bid price for a "Tunisian Boat Hull Bid" shall be the sum of the following amounts :

- (i) the ex-boatyard price of such hulls;
- (ii) the cost of installing marine diesel engines; and
- (iii) the cost of rigging, testing and making ready for fishing operations motorized fishing boats.

(g) The bid price for a "Tunisian Marine Engine Bid" shall be the cost, at-site boatyard, of such engines, including accessories and ready for installation.

(h) The bid price for a "Foreign Marine Engine Bid" shall be the sum of the following amounts :

- (i) the c.i.f. price of such engines, including accessories;
- (ii) the amount of any taxes on the importation of such engines into the territories of the Borrower which generally apply to non-exempt importers, or 15% of the amounts specified in (i) above, whichever shall be lower; and
- (iii) the cost of delivery of such engines from the port of entry to the site of a boatyard.

(i) Bids shall be compared solely on the basis of complete fishing boats, including installed engines, fully rigged, but excluding fishing gear, tested and made ready for fishing operation.

(j) There would be four types of bids to compare for complete fishing boats :

- (i) "Tunisian Complete Boat Bid"
- (ii) "Foreign Complete Boat Bid"
- (iii) "Tunisian Boat Hull Bid" with "Tunisian Marine Engine" installed; and
- (iv) "Tunisian Boat Hull Bid" with "Foreign Marine Engine" installed.

5. Purchases of imported fishing gear and nets and imported vehicles for

supporting services shall be made through normal commercial channels or local agents of overseas suppliers.

6. In respect to the imported marine diesel engine spare parts the suppliers shall have offered DSP reasonable assurances that they shall maintain an adequate spare part stock located and available within the territories of the Borrower and that they shall provide satisfactory after-sales service.

SCHEDULE 4

RESPONSIBILITIES OF FPD UNDER THE PROJECT

FPD shall be responsible for :

- (a) the preparation of detailed fishing boat designs and tender documents, the prequalification of the fishing boat builders, the tendering and awarding of bids under international competition and the supervision of fishing boat construction;
- (b) the technical examination and approval of loan applications from sub-borrowers;
- (c) the technical supervision of use and maintenance of fishing boats and gear provided under the Project;
- (d) the organization of a program of training courses for the sub-borrowers, including *inter alia* a course setting forth the responsibilities and obligations of the sub-borrowers under the Project; and
- (e) the testing of improved fishing boat designs.

SCHEDULE 5

ELIGIBILITY OF FIRMS PARTLY OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY THE BORROWER TO SUPPLY MARINE DIESEL ENGINES UNDER THE PROJECT

The specific conditions under which firms partly owned or controlled, directly or indirectly, by the Borrower would be eligible to supply marine diesel engines under the Project shall be as follows :

- (a) the firms shall be financially autonomous and operated on a commercial basis;
- (b) the firms shall not benefit from special governmental protection or subsidy during the execution of the Project;
- (c) the firms shall participate in bidding under the same conditions as any other commercial enterprise; and
- (d) the representation of the Government on the Board of Directors of the firms shall be exercised by individuals having no connection whatsoever with the management and the operations of the Ministère de l'Agriculture.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 703, p. 244.*]
