No. 6783

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
TUNISIA

Development Credit Agreement—*Education Project* (with related letters and annexed Development Credit Regulations No. 1). Signed at Washington, on 17 September 1962

Official text: English.

Registered by the International Development Association on 18 June 1963.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
TUNISIE

Contrat de crédit de développement — *Projet relatif à l'enseignement* (avec lettres y relatives et, en annexe, le Règlement nº 1 sur les crédits de développement). Signé à Washington, le 17 septembre 1962

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 18 juin 1963.

No. 6783. DEVELOPMENT CREDIT AGREEMENT[1] (*EDUCATION PROJECT*) BETWEEN THE REPUBLIC OF TUNISIA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 17 SEPTEMBER 1962

AGREEMENT, dated September 17, 1962, between THE REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to assist in financing an education project forming part of a three-year program for the development of education at the secondary level; and

WHEREAS the Association has agreed to make a Credit to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE, it is hereby agreed as follows :

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[2] (said Development Credit Regulations No. 1 being hereinafter called the Regulations) with the same force and effect as if they were fully set forth herein.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to five million dollars ($5,000,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Account the amount

[1] Came into force on 28 January 1963, upon notification by the Association to the Government of Tunisia.
[2] See p. 52 of this volume.

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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Regulations.

Section 2.03. The Borrower shall be entitled, subject to the provisions of this Agreement and the Regulations, to withdraw from the Credit Account (i) the equivalent of 75% (or such other percentage as may from time to time be agreed between the Borrower and the Association) of such amounts as shall have been paid for the reasonable cost of goods to be financed under this Credit Agreement; and (ii) if the Association shall so agree, the equivalent of a like percentage of such amounts as shall be required to meet payments to be made for the reasonable cost of such goods.

Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made on account of expenditures prior to January 1, 1962.

Section 2.04. Withdrawals from the Credit Account shall be in such freely convertible currency or currencies as the Association shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three fourths of one per cent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time. The Borrower shall also pay to the Association a service charge at the same rate on the principal amount outstanding of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

Section 2.06. Service charges shall be payable semi-annually on May 15 and November 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual instalments payable on each May 15 and November 15 commencing November 15, 1972 and ending May 15, 2012, each instalment to and including the instalment payable on May 15, 1982, to be one-half of one per cent (½ of 1%) of such principal amount, and each instalment thereafter to be one and one-half per cent (1½%) of such principal amount.

Article III

Use of 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[1] to this Agreement. The specific goods to be

[1] See p. 44 of this volume.

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.

Article IV

Particular Covenants

Section 4.01. (*a*) The Borrower shall cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical standards and with due regard to economy, and to be operated in accordance with sound educational practices.

(*b*) Except as the Association shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed competent and experienced architects and consultants satisfactory to the Borrower and the Association, upon terms and conditions satisfactory to the Borrower and the Association.

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

(*d*) The Borrower shall cause to be furnished to the Association promptly upon their preparation, the plans, specifications, contracts and work schedules for the Project and any material modifications subsequently made therein, in such details as the Association shall request.

(*e*) The Borrower shall at all times make or cause to be made available promptly as needed all sums which shall be required for the carrying out of the Project.

(*f*) 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 operations and financial condition with respect to the Project of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

Section 4.02. (*a*) 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.

(*b*) The Borrower shall furnish or cause to be furnished to the Association, from time to time upon their preparation, general programs for the construction of new schools and the expansion of existing schools in its territories and shall afford the Association an opportunity to exchange views with the Borrower with respect thereto.

Section 4.03. (*a*) The Borrower and the Association shall cooperate fully to assure 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.

(*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 4.04. 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 4.05. This Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect to 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 Sections 5.02 of the Regulations shall occur and shall continue for a period