

Document of
The World Bank

Report No: 65821-TN

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF THE

SECOND HIGHER EDUCATION REFORM SUPPORT PROJECT LOAN

APPROVED ON JUNE 15, 2006

TO THE

GOVERNMENT OF TUNISIA

December 6, 2011

ABBREVIATIONS AND ACRONYMS

ICT	Information and Communication Technology
ISET	<i>Institut Supérieur des Etudes Technologiques</i> (Institute of Technological Studies)
LMD	Licence-Master-Doctorat
MHESR	Ministry of Higher Education and Scientific Research
PAQ	<i>Programme d'appui à la qualité</i> (Quality Support Program)
PDESAQ	<i>Programme de développement de l'enseignement supérieur et d'appui à la Qualité</i> (Higher Education Development Program and Support to Quality)

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TUNISIA
HIGHER EDUCATION REFORM SUPPORT II

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Restructuring	Status: Draft
Restructuring Type: Level two	
Last modified on date : 5/3/2013	

1. Basic Information	
Project ID & Name	P075809: TN Higher Education Reform Support II
Country	Tunisia
Task Team Leader	Adriana Jaramillo
Sector Manager/Director	Mourad Ezzine
Country Director	Neil Simon M. Gray
Original Board Approval Date	06/15/2006
Original Closing Date:	11/30/2011
Current Closing Date	11/30/2011
Proposed Closing Date [if applicable]	11/30/2013
EA Category	B-Partial Assessment
Revised EA Category	B-Partial Assessment-Partial Assessment
EA Completion Date	03/15/2006
Revised EA Completion Date	

2. Revised Financing Plan (US\$m)		
Source	Original	Revised
BORR	19.20	19.20
IBRD	76.00	76.00
Total	95.20	95.20

3. Borrower		
Organization	Department	Location
Ministry of Higher Education		Tunisia

4. Implementing Agency		
Organization	Department	Location
Ministry of Higher Education and Scientific Research		Tunisia

5. Disbursement Estimates (US\$m)		
Actual amount disbursed as of 10/14/2011		20.51
Fiscal Year	Annual	Cumulative
2010	9.02	13.67
2011	9.14	22.81
2012	20.19	43.00
2013	23.00	66.00
2014	10.00	76.00
	Total	76.00

6. Policy Exceptions and Safeguard Policies	
Does the restructured project require any exceptions to Bank policies?	N
Does the restructured project trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.	N

7a. Project Development Objectives/Outcomes
Original/Current Project Development Objectives/Outcomes
The Project's development objective is to assist the Borrower in the implementation of its Program aiming at developing its higher education system by increasing the capacity in expanding access to said system, strengthening the efficiency and institutional performance of said system and improving the quality of higher education.

7b. Revised Project Development Objectives/Outcomes [if applicable]

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TUNISIA HIGHER EDUCATION REFORM SUPPORT II

RESTRUCTURING PAPER

A. SUMMARY

The Higher Education Reform Support II has experienced delays in disbursement, primarily due to the slow process followed for the assigning of civil works contracts under Component 1 and slow procurement procedures. The total amount of the loan is 61.3 million Euros (equivalent to US\$76 million) and the initial civil works component represents more than 90% of the total loan amount. Of the initial eight sites agreed at appraisal, four have been completed at 60% as observed in the last supervision mission, as well as one restaurant and one student housing. Four other sites have been cancelled based on the assessment that it would be more efficient to accommodate new students without necessary building new sites. The four sites cancelled were the School of Music in Sfax (600 students), the Sports Institute in Sousse (600 students), The Institute of Science in Kasserine (3,000 students); and the Institute of Science in Manouba (3,000 students). The cancellation of these sites has not changed the achievement of the increased access rate, and the Ministry has been able to meet its enrolment targets. With the cancellation of these sites and changes in the exchange rate there are approximately 20 million Euros from Component 1 to be reallocated. During the supervision mission of July 2010, the Bank and Government teams agreed on the restructuring of the project to allow the reallocation of these uncommitted funds into other project components. This was confirmed during the May 2011 supervision mission. The Government of Tunisia has given priority to restructuring this project given the importance that supporting the higher education system has in the current context. The reallocation of funds from Component 1 will enable the Government to revamp Higher Education Institutions, and better prepare them to provide students with the skills necessary to succeed in the labor market. Therefore, these unused funds will be reallocated to project components that are being well implemented and are disbursing satisfactorily. These components are: Modernize the Higher Education System by Strengthening Quality Assurance Mechanisms, Institutional Autonomy and Financial Sustainability and Grant Program to Improve Academic Quality and Institutional Performance (Quality Promotion Fund (PAQ)).

B. PROJECT STATUS

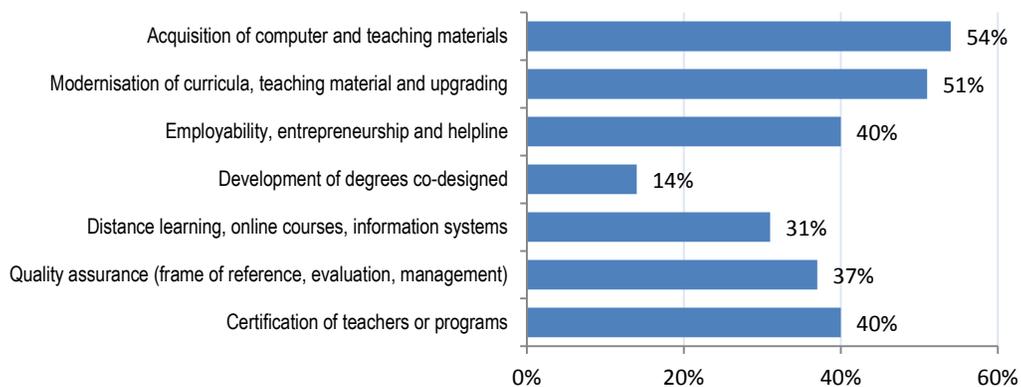
This project is supporting the Higher Education Reform and has three components:

- Component 1 Part A: Expand Access to the Public Higher Education System, 50 million Euros (US\$62 million);

- Component 2 Part B: Modernize the Higher Education System by Strengthening Quality Assurance Mechanisms, Institutional Autonomy and Financial Sustainability, 3.6 million Euros (US\$4.4 million); and
- Component 3 Part C: Grant Program to Improve Academic Quality and Institutional Performance (Quality Promotion Fund (PAQ)), 7.7 million Euros (US\$9.6 million).

Component 1 has made important progress in the last year, and during the last supervision mission held in May 2011, it was observed that the four construction sites have evolved very satisfactory, and that the student restaurant and student housing of Tataouine are completed. Components 2 and 3 have had satisfactory implementation, in particular component 3, with all of its funds committed by the mid-term review held in May 2009. In six rounds the Quality Promotion Fund (PAQ) has received 164 proposals for funding and 50 projects have been approved and are under satisfactory implementation. Clearly, the demand for PAQ funds has exceeded expectations and initial funds allocation. The 50 approved projects are reaching a third of all eligible higher education institutions in Tunisia. The graph below shows the distribution of grants and how they are aligned with national priorities.

Figure 1: PAQ-G, Distribution of the winning projects according to their contributions to the expectation of national priorities



Component 2 has also had satisfactory implementation, with 38% of its initial allocation committed. Notably the implementation of the Licence-Master-Doctorat (LMD) reform, aligned with the Bologna process¹ has had impressive progress, positioning Tunisia at the forefront of countries following the Bologna guidelines. Equally important has been the introduction of contract-based budget allocation to universities. To date all universities and technical colleges have signed contract agreements with clear performance indicators, and are being monitored by the Ministry of Higher Education and Scientific Report (MHESR) and the National Committee

¹ The Bologna Process is a mechanism set up to create a European Higher Education Area (EHEA) based on international cooperation and academic exchange that is attractive to European students and staff as well as to students and staff from other parts of the world. It includes Quality Assurance, and developing equivalency of degrees.

of Evaluation. This reform, geared to promote University Autonomy and increase accountability on the use of resources, is likely to show important results in terms of quality and relevance of Tertiary education services in Tunisia, and is aligned with OECD type of University reforms.

Component 1 initially proposed financial support to eight university sites. Later on the MHESR cancelled four of the sites. Total committed amounts are 46% of the initial allocation. Currently there are two sites completed and four sites for which construction is underway, and completion of works is expected by September 2011 and March 2012.

Below is the summary table with disbursements and commitments as of September 30 2011. From this table it results that there are 27 million Euros to reallocate.

Table 1: Status of Loan Commitments and Disbursements as of October 13, 2011 (in 1000 €)

Categories	Loan Allocation (A)	Disbursements as of 10/13/10 (1)	Unpaid Commitments (2)	Remaining Commitments (3)	Total (1) + (2) + (3) = (B)	Balance as of 12/18/ 2010 (A) - (B)
1. Civil Works	34,360	8,793	9,865	1,176	19,834	14,526
2. Equipment	11,879	906	42	4,726	5,674	6,205
3. Consultants Services	1,473	167	40	5	212	1,261
4. Training	589	69	0	110	179	410
5. PAQ	7,952	5,773	1,440	0	7,213	739
6. Unallocated	3,927	0	0	0	0	3,927
Total	60,180	15,708	11,387	6,017	33,112	27,068

C. PROPOSED CHANGES

C.1 The PDO remains unchanged and is as follows: to assist the Borrower in the implementation of its Program aiming at developing its higher education system by increasing the capacity in expanding access to said system, strengthening the efficiency and institutional performance of said system and improving the quality of higher education.

The restructuring of the project does not entail changes to the PDO. Based on consultations with all Higher Education Institutions, and the MHESR shareholders, each of the project components was revised and additional and improved activities were proposed. The activities were proposed taking into account the need to improve the employability of university graduates, modernize universities and support institutions in underserved areas.

As explained above, with the cancellation of four of the original eight sites and changes in the exchange rate, there are approximately 27 million Euros from Component 1 to be reallocated. Proposed changes and reallocations for each of the three project components are detailed below.

C.2 Results/indicators are detailed in Annex 1.

C.3 Components

Component 1: Expand Access to Public Higher Education System

The Ministry of Higher Education proposed to cancel the construction of four new sites. This was based on the assessment that it would be more efficient to accommodate new students without necessary building new sites. The four sites cancelled were the School of Music in Sfax (600 students), the Sports Institute in Sousse (600 students), The Institute of Science in Kasserine (3,000students); and the Institute of Science in Manouba (3,000 students). The cancellation of these sites has not changed the achievement of the increased access rate, and the Ministry has been able to meet its enrolment targets. In addition to the cancellation of these sites and changes in the exchange rate there are approximately 27 million Euros from this component to be reallocated. Proposed changes are to allocate 9.2 million Euros (18,2 MDT) to equip engineering schools and research laboratories in selected universities. The sites were identified through a call for proposals launched by the MHESR in September 2010- and confirmed in May 2011-based on the needs to increase enrollments in science and engineering programs which are badly needed to improve the innovation capacity in Tunisia. Institutions had to demonstrate that the modernization of their engineering and science programs were part of their Institutional Development Plans, and that the civil works component were fully funded by the Institutions themselves. With the commitment from institutions, and project funds being used only to procure equipment, the delays experienced in the past will be overcome. Thus the project funds will be used to purchase equipment as follows:

Table 1 : Proposed Use of Reallocated Amount for Component 1

	Amount(1000 DT)
Laboratory Equipment for National School of Engineers of Gabes	4 500
Laboratory Equipment for National School of Engineers of Tunis	1 200
Laboratory Equipment for National School of Engineers of Sfax	2 300
Laboratory Equipment for Science Faculty of Sfax	1 000
Laboratory Equipment for Science Faculty of Tunis	1 200
Laboratory Equipment for Science Faculty of Monastir	1 100
Laboratory Equipment for National School of Engineers of Monastir	1 100
Laboratory Equipment for Science Faculty of Bizerte	400
Laboratory Equipment for Polytechnic School of Tunis	150
Laboratory Equipment for Institute of Education and Continuing Education	1 150
Laboratory Equipment for Science Faculty of Gafsa	900
ICT Equipment for 20 institutions	1 500
Unallocated Laboratory Equipment	1 750
Total for Component 1	18 250

Component 2: Modernize the Higher Education System by Strengthening Quality Assurance Mechanisms, Institutional Autonomy and Financial Sustainability

There are no changes proposed for this component, however the initial allocation to complete all the activities required an update and some details of activities vis à vis the very generic description provided in the initial PAD were required. Based on the progress made in implementing key elements of the Reform, such as the LMD, the Contract-based funding, and the Development of Quality Assurance System, the MHESR has estimated that more resources are needed to continue with the sound implementation of these initiatives. In this regard, and based on the description of the project in Schedule 2 of the Legal Agreement signed on July 16, 2006, were it is stated the following: *“Carrying out studies, provision of technical assistance and training activities, equipment and materials, and organization of study tours for: developing and strengthening the capacities of the National Evaluation Committee to transform it into a national institution for higher education evaluation and quality support with a view to establishing a comprehensive accreditation and quality assurance system, including: (a) the development of an action plan to assist MOHE in establishing said system; (b) the design of a strategy and the strengthening of management capacity to ensure financial sustainability of said system;”*

The MHESR has estimated that transforming the National Evaluation Committee into a **comprehensive accreditation and quality assurance system** requires that an agency at the central level be in place, and that in each university a Quality Assurance Unit be set up. In addition, the implementation of the LMD reform requires that teaching staff be trained and new curriculum development is necessary. Given the importance of improving employability of graduates, the development of curriculum in partnership with industry and private sectors is being emphasized, as well as the development of entrepreneurial skills for all students. Lastly, the use of new technologies and in particular ICT is being underscored in the new proposed activities. Thus, it is proposed to reallocate an additional 6.6 million Euros (13.1 MDT) to this component. The table below shows the details of how the funds will be used.

Table 2 : Proposed Use of Reallocated Amount for Component 2

		Amount (1000 DT)	
2.1	Development and strengthening of the National Evaluation Committee (CNE) to develop into a National Assessment, Quality Assurance and Accreditation Forum (INEASQA) at the central and university levels		1 197
2.1.1	Establishment of quality assurance system	176	
2.1.2	Develop expertise in quality assurance	130	
2.1.3	Strengthening quality committees in 14 universities	891	
2.2	Revision of higher education curricula to match international standards and be more relevant to the needs of the labor market		7 980
2.2.1	Co-designed partnerships between academic and professional licenses of Applied and Professional Masters ²	2 231	
2.2.2	Reinforcement of cross training for entrepreneurship	698	

² The co-designed degrees are programs designed in partnership with private sector and industry, to better meet the needs of the labor market.

2.2.3	University Teaching Project: Professional development of university education and strengthening the dissemination of educational culture, learning and digital	394	
2.2.4	Development of a performance assessment of students and universities	900	
2.2.5	Strengthening of professionalization (project benefiting the UVT and 30 academic institutions)	479	
2.2.6	Strengthening the certification of teachers in ICT systems	1 800	
2.2.7	Strengthening teacher training in the field of language (English)	380	
2.2.8	Strengthening Project engineering online training	401	
2.2.9	Project to train trainers (DGES)	698	
2.3	Strengthening capacity to implement reforms of the Ministry of Higher Education		403
2.3.1	Development and evaluation of projects	403	
2.4	Strengthening the technical capacity and management of higher education institutions		1 745
2.5	Capacity Building for Project Management		1 799
2.5.1	Management training of BEPP staff to increase its capacity at central and university level	779	
2.5.2	Strengthening management capacity and monitoring of the project and components	1 020	
Total			13 124

Component 3: Grant Program to Improve Academic Quality and Institutional Performance (Quality Promotion Fund (PAQ))

Given the high demand for these funds, and the successful implementation of this Competitive Fund, the Government of Tunisia is proposing to have three more rounds of proposals with three particular objectives: a) to promote innovation and employability of graduates; b) to support institutions in underserved areas; and c) to modernize research centers. Based on the same competitive mechanism used until now and the peer reviewing mechanism, as well as the Implementation and Operational Manual, there will be an additional 10 million Euros (20 MDT) allocated to this component. The distribution for each call of proposals is as follows:

Table 3 : Proposed Use of Reallocated Amount for Component 3

	Amount (1000 DT)
Competitive Programme : Innovation and Employability Component	9 000
Competitive Programme: Education Quality Improvement of schools in underserved areas	6 000
Competitive Programme: Modernization and Strengthening of management capacity of universities and research centers	5 000
Total	20 000

With these changes, the description of Component 1 will be revised as follows in the Loan Agreement to take into consideration the cancellation of four sites:

“Part A: Expand Access to the Public Higher Education System

Carrying out a program of works for the construction of about four (4) new higher education and research institutions, one university restaurant and one university student housing, including the supervision of construction activities, and the provision of library books and information materials, didactic, scientific and information and communication technology equipment for said institutions, and provision of laboratory and information and communication technology equipment for about twenty three (23) other higher education and research institutions.”

The performance indicators will also be revised to take into account the cancellation of four sites and will be amended as follows:

“Performance Indicators

Except as the Borrower and the Bank shall otherwise agree, the Performance Indicators for the Project shall be:

*1. Increased access to higher education by about 13,000 education places as evidenced through the construction of **four (4)** new higher education and research institutions, one university restaurant and one university student housing, by the Project Closing Date;*

*2. Revised legal and regulatory framework governing the Borrower’s higher education system granting increased autonomy to universities by **November 2013**;*

3. Strengthened capacity of the National Evaluation Committee, including enhanced ability to complete evaluations of the academic and operational performance and quality of higher education and research institutions;

4. PAQ is fully operational and at least one (1) round of Competitive Block Grants has been awarded and under implementation by Mid-term Review; and

5. Improved performance of Project implementation entities through improved management of the schedule set forth in the Procurement Plan as follows:

(a) 60% of contracts signed within the schedule set forth in said Plan for the year 2007;

(b) 75% of contracts signed within the schedule set forth in said Plan for the year 2008; and (iii) 90% of contracts signed within the schedule set forth in said Plan for the year 2009.”

C.4 Financing

	Current		Proposed in € million		
	US\$ million	€ million	Achievement	"Reliquat"	Total
Component 1 Part A: Expand access to the public higher education system	62,0	50,0	25,7	8,6	34,3
Component 2 Part B: Modernize the higher education system by strengthening quality assurance mechanisms, institutional autonomy and financial sustainability	4,4	3,6	1,5	7,9	9,4
Component 3 Part C: PAQ for Competitive Block Grants and Management Capacity Grants for Sub-projects under Part C of the Project	9,6	7,7	7,4	10,2	17,5
Total	76,0	61,3	34,6	26,7	61,3

C.5 Reallocations

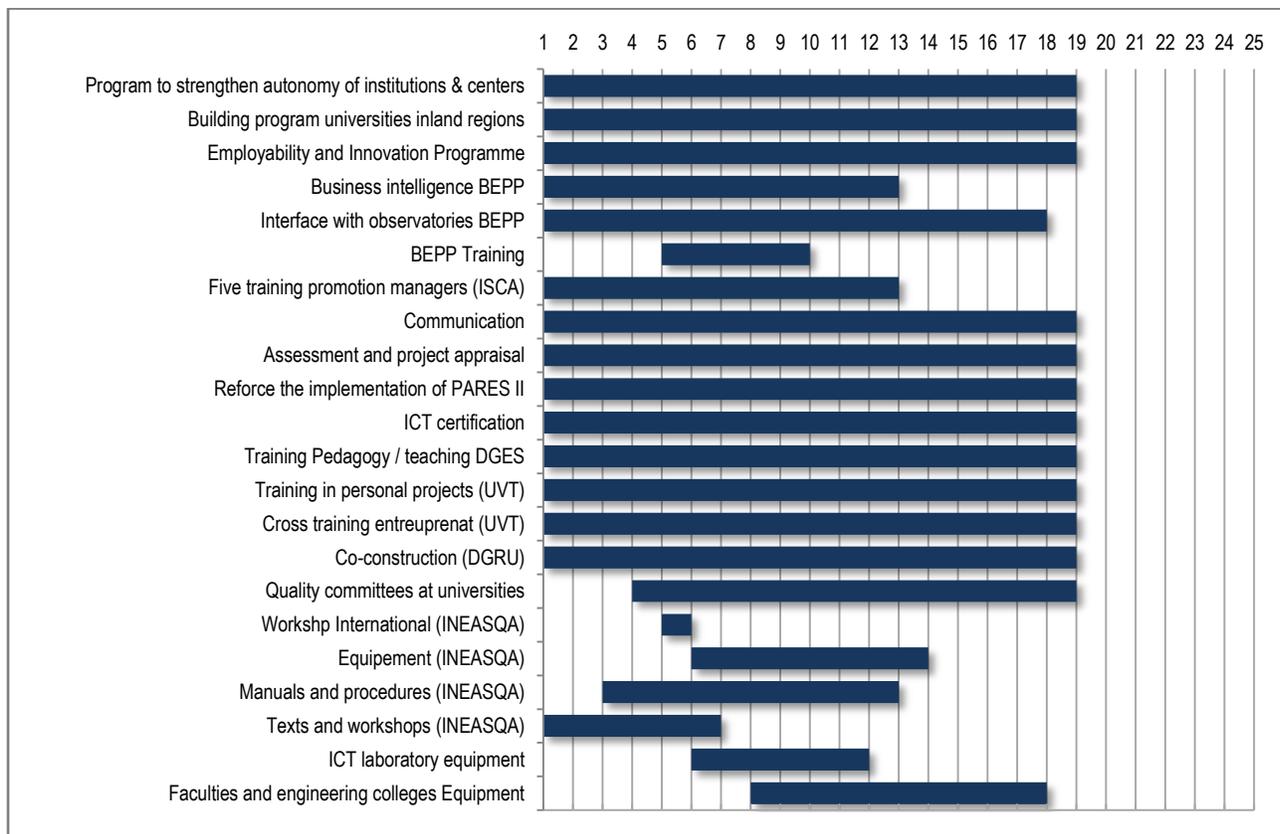
Category of Expenditure	Allocation in Euros		% of Financing in Euros	
	Current	Proposed	Current	Proposed
1. Works	35 000	20 905	80%	100%
2. Goods and Equipment	12 100	16 546	100%	100%
3. Consultants services	1 500	2 159	100%	100%
4. Training	600	3 832	100%	100%
5. PAQ for Competitive Block Grants and Management Capacity Grants for Sub-projects under Part C of the Project	8 100	17 858	100%	100%
6. Unallocated	4 000	0		

Total	61 300	61 300		
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C.6 Closing date. Given the new activities proposed the revised closing dates is proposed to be November 30, 2013.

C.7 Implementation schedule

Figure 2: Proposed Implementation Schedule for Reallocated Amount



Numbers represent months of project implementation

1: November 2011

19: May 2013: deadline for commitments

25: November 2013: closing date

ANNEX 1:
Results Framework and Monitoring
TUNISIA: HIGHER EDUCATION REFORM SUPPORT II

Project Development Objective (PDO):

The development objective of the project is to support the implementation of the Government's program to develop the higher education system by increasing the capacity and efficiency in expanding access and improving the quality of education and institutional performance.

Revised Project Development Objective: Same as above.

PDO Level Results Indicators*	Core	D=Dropped C=Continue N= New R=Revised	Unit of Measure	Baseline (May 2010)	Cumulative Target Values**			Frequency	Data Source/ Methodology	Responsibility for Data Collection
					FY11	FY12	FY13			
Indicator 1: Improve access to higher education by creating 6,000 places through the construction of 6 new higher education institutions.	<input type="checkbox"/>	R	Number of institutions completed the construction.	4 institutions are under preparation. 2 institutions are under construction	-	2 institutions	4 institutions	Annual	Progress report	DBE-BEPP
Indicator 2: Revise the legal and regulatory framework to better support institutional autonomy.	<input type="checkbox"/>	D	-	Done. A decree for granting university the public status was promulgated under the Project.	-	-	-	-	-	Coordination Unit
Indicator 3: Develop the National	<input type="checkbox"/>	C	Establishment of the Forum	The decree for creating the	Finalize the establishment	-	-	Annual	Progress	DGRU-INEPQ

Evaluation Committee (CNE) into a National Authority for Evaluation and Quality Promotion (INEQP) as part of developing a comprehensive quality assurance system for higher education.			of National Assessment, Quality Assurance and Accreditation (INEAQA).	INEAQA was enacted under the Project.	of the INEAQA by the end of the first half of 2011.				report	
Indicator 4: Establish and effectively operate the Quality Promotion Fund (PAQ).	<input type="checkbox"/>	C	Number of PAQ proposals received and approved by 2 windows: Quality and Management.	164 proposals for funding have been received, and 41 projects have been approved, covering 1/3 of all eligible higher education institutions.	-	-	Additional one round of PAQ completed.	Annual	Progress report	DGRU-PAQ
INTERMEDIATE RESULTS										
Intermediate Result (Component 1): Expand access to public higher education institutions.										
Revised Intermediate Result (Component 1): Same as above										
<i>Intermediate indicator 1:</i> Increase of spaces available in public universities.	<input type="checkbox"/>	C	Number of regular students.	346,079	(number of students)	(number of students)	(number of students)	Annual	Progress report	BEPP
<i>Intermediate indicator 2:</i> Number of newly constructed institutions financed under the Project.	<input type="checkbox"/>	C	Number of new institutions.	4 institutions are under preparation. 2 institutions are under construction	-	2	4	Annual	Progress report	DGSC
Intermediate Result (Component 2): Modernize the higher education system by strengthening quality assurance mechanisms, institutional autonomy and financial sustainability.										
Revised Intermediate Result (Component 2): Same as above.										

<i>Intermediate indicator 1:</i> Implementation of workshops to strengthen the capacity of central administration.	<input type="checkbox"/>	D	-	Done. A study on strengthening the capacity of central administration was conducted, and the workshop was organized under the Project.	-	-	-	-	-	BEPP
<i>Intermediate indicator 2:</i> Measures taken in order to reinforce the capacity of the MoHE.	<input type="checkbox"/>	C	Measures taken.	A plan for capacity development for MoHE is under preparation.	Design a study on strengthening the capacity of MoHE.	Conduct and complete the study.	Organize capacity development activities based on the study.	Annual	Progress report	Coordination Unit
<i>Intermediate indicator 3:</i> Modernized implementation of the LMD system (number of institutions using modernized mode of delivery of their curriculum).	<input type="checkbox"/>	R/N	Number of institutions using ICT infrastructure effectively for the delivery of curriculum.	100% of institutions have adopted the LMD system under the Project.	(number of institutions using ICT infrastructure for the delivery of curriculum)	(number of institutions using ICT infrastructure for the delivery of curriculum)	(number of institutions using ICT infrastructure for the delivery of curriculum)	Annual	Progress report	DGRU
<i>Intermediate indicator 4:</i> Adoption of program-based budgeting (GPO) (number of institutions using GPO).	<input type="checkbox"/>	C	Number of institutions adopting GPO.	13 institutions.	(number of institutions)	(number of institutions)	(number of institutions)	Annual	Progress report	DGRU
<i>Intermediate indicator 5:</i> Complete the INEQP (National Authority for Evaluation and Quality Promotion) evaluations of 5% of all existing higher education institutions.	<input type="checkbox"/>	C	Number of institutions that accept the external evaluation.	External evaluation is scheduled in 35 institutions.	(number of institutions)	(number of institutions)	(number of institutions)	Annual	Progress report	NEC-INEQP
Intermediate Result (Component 3): Provide grants to improve academic quality and institutional performance.										

Revised Intermediate Result (Component 3): Same as above.										
<i>Intermediate indicator 1:</i> Quality Promotion Fund (PAQ) put in place and operations.	<input type="checkbox"/>	D	-	Done.	-	-	-	-	-	DGRU-PAQ
<i>Intermediate indicator 2:</i> Number and amount of financed under the PAQ (approved, committed and disbursed).	<input type="checkbox"/>	C	Number of PAQ projects and its amount (approved, committed and disbursed).	PAQ-Quality: 41 projects and 15.75 million DT was approved PAQ-Management: 14 projects and 3.86 million DT was approved.	(number of projects)	(number of projects)	(number of projects)	Annual	Progress report	DGRU-PAQ

***Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)**

****Target values should be entered for the years data will be available, not necessarily annually.**

ANNEX 2: Reallocation of Proceeds

1. Proceeds for Tunisia, Higher Education Reform Support II, Loan No. 075809 will be reallocated as follow: (Figures are in Euros)

	Allocation		% of Financing	
	Current	Revised	Current	Revised
1. Works	35 000	20 905	80%	100%
2. Goods and Equipment	12 100	16 546	100%	100%
3. Consultants services	1 500	2 159	100%	100%
4. Training	600	3 832	100%	100%
5.PAQ for Competitive Block Grants and Management Capacity	8 100	17 858	100%	100%
6. Unallocated	4 000	0		
Total	61 300	61 300		

2. This project is supporting the Higher Education Reform and has three components:

1. Expansion of access to public higher education, US\$ 62 million
2. Modernization of the Higher Education system and strengthening of quality assurance mechanisms and institutional autonomy, US\$ 4.4 million
3. Quality Promotion Fund (PAQ) to improve academic quality and institutional performance US\$9.6 million

Components 2 and 3 have had satisfactory implementation, in particular component 3, with all of its funds committed by mid-term review held in May 2009. In six rounds PAQ has received 164 proposals for funding and 50 projects have been approved and are under satisfactory implementation. Clearly the demand for PAQ funds has exceeded expectations and initial funds allocation. The 50 approved projects are reaching a third of all eligible higher education institutions in Tunisia. The graph below shows the distribution of grants and how they are aligned with national priorities.

Component 2 has also had satisfactory implementation, with 38% of its initial allocation committed. Notably the implementation of the LMD reform, aligned with the Bologna process has had impressive progress, positioning Tunisia in the forefront of countries

following Bologna guidelines. Equally important has been the introduction of contract-based budget allocation to Universities. To date all Universities and Technical Colleges have signed contract agreements with clear performance indicators, and are being monitored by the Ministry and the National Committee of Evaluation. This reform geared to promote University Autonomy, and increase accountability on the use of resources is likely to show important results in terms of quality and relevance of Tertiary education services in Tunisia, and is aligned with OECD type of University reforms.

3. The proposed reallocation is necessary to assign additional funds to components that are experiencing satisfactory implementation.

4. This will be the first extension of the project.

**ANNEX 3:
Request for Government**

Pg : 08/04/11 17:09

M D C I PASTEUR

Fax reçu de : 08 216 71

Fax n°: 71 19 44 45

REPUBLIQUE TUNISIENNE
**Ministère de la Planification
et de la Coopération Internationale**

10/04/02 29

31 MARS 2011
Tunis, le

MONSIEUR SIMON GRAY
DIRECTEUR DU DEPARTEMENT DU MAGHREB
BUREAU REGIONAL MENA
BANQUE MONDIALE

OBJET : Demande de réaffectation des fonds et de prorogation de la date de clôture de l'Accord de Prêt BIRD n°7392-TUN.

P.J : Un document.

Comme suite aux discussions intervenues avec la dernière mission de supervision du Deuxième Projet d'Appui à la Réforme de l'Enseignement Supérieur (PARES II) et en vue d'atteindre l'ensemble des objectifs de développement du projet et la consommation de l'intégralité de l'enveloppe financière allouée aux différentes composantes de ce projet, une réaffectation du montant non encore engagé sur le prêt cité en objet et qui s'élève à 26,7 millions d'euros, s'avère nécessaire.

Cette réaffectation permettra d'engager des actions pour promouvoir principalement l'employabilité des jeunes diplômés de l'enseignement supérieur dans le contexte actuel en appuyant la qualité de l'enseignement et son harmonisation avec les normes internationales. A cette fin, il est proposé d'agir notamment sur :

- L'amélioration de la qualité de la gouvernance des institutions de recherche et de la qualité académique en vue d'une meilleure employabilité ;
- L'amélioration de la capacité d'accueil des établissements de l'enseignement supérieur et le renouvellement du matériel pédagogique ;
- Le développement du système d'enseignement supérieur en dotant les différentes structures d'exécution du projet ainsi que les établissements universitaires d'expertise et de moyens appropriés.

Je vous informe par ailleurs, que la mise en œuvre des actions envisagées nécessite une prorogation de 24 mois de la date de clôture du prêt afférent à ce projet.

Je vous prie en conséquence, de bien vouloir précéder à la réaffectation des fonds du prêt n°7392-TUN tel que proposé dans le document ci-joint (cf: tableau 7) et de proroger la date de clôture initiale de ce prêt jusqu'au 30 novembre 2013.

Veuillez agréer, Monsieur le Directeur, l'assurance de ma meilleure considération. Az.

Le Ministre de la Planification
et de la Coopération internationale

Signé: Ab. Mohamed TRIKI

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M D C I PASTEUR

Fax émis par : 08 216 71

A Mme Najla R. Koushane

Tunis, le 18 AOUT 2011

**Monsieur Simon Gray
Directeur du Département Maghreb
Bureau Régional MENA
Banque Mondiale**

Objet : Demande de réaffectation des fonds et de prorogation de la date de clôture de l'Accord de Prêt BIRD n°7392-TUN.

P.J. : 01.

Faisant suite à notre lettre du 31 mars 2011, portant demande de réaffectation des fonds et de prorogation de la date de clôture de l'Accord de Prêt BIRD n°7392-TUN destiné au financement du Projet d'Appui à la Réforme de l'Enseignement Supérieur, j'ai l'honneur de vous demander de bien vouloir amender également les dispositions de l'Annexe n°2 de l'Accord de prêt cité en objet, conformément à la proposition mentionnée dans le document ci-joint.

Veillez agréer Monsieur le Directeur, l'expression de mes salutations distinguées.

Le Ministre de la Planification
et de la Coopération Internationale

Signé: Abdelhamid TRIKI

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