

April 6th, 2022

H.E. Mr. Samir Saied
Minister of Economy and Planning
Ministry of Economy and Planning
Avenue Cheikh Mohamed Fadhel Ben Achour
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1082 Tunis
Republic of Tunisia

**Republic of Tunisia –Covid-19 Social Protection Emergency Response Support
Loan No. 9230-TN**

First Amendment to the Loan Agreement

Excellency:

I refer to the Loan Agreement (the “Original Loan Agreement”) between the Republic of Tunisia (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”) dated April 2, 2021, for the above-referenced project (the “Project”). The capitalized terms used in this letter (“Amendment Letter”) and not defined herein have the meanings ascribed to them in the Original Loan Agreement.

We also refer to the loan agreement entered into between the Borrower and the Bank for the purposes of providing additional financing for activities related to the Project (the “Loan Agreement”).

In line with the changes introduced to the Project through the Loan Agreement, the Original Loan Agreement referred to in paragraph 1 above is hereby amended as follows:

1. Component 1.3 of Schedule to the Original Loan Agreement 1 is hereby amended and replaced in its entirety to read as follows:

“The improvement of the PCT coverage of poor beneficiary households under the AMEN Social Program through the strengthening of the AMEN Social Program targeting system.”

2. Component 3.1(a) of Schedule 1 to the Original Loan Agreement is hereby amended and replaced in its entirety to read as follows:

“Provision of support for the strengthening of the Borrower’s social protection system to deliver efficient and inclusive social assistance through the AMEN Social Program through:

- (a) the update of the scoring formula and the implementation of the full specification proxy means test (“PMT”) model of the new targeting system under the AMEN Social Program;
- (b) the preparation and publication of annual reports of the AMEN Social Program;
- (c) the strengthening of the digitalization of payments under the AMEN Social Program;

- (d) the strengthening of the Borrower's institutional and governance capacity through the establishment and operationalization of the Higher Council for Social Development and the carrying out of preparatory activities for the establishment of the Borrower's national agency for integration and social development;
- (e) the interoperability between the AMEN Social Program Management Information System ("MIS") and other relevant Borrower's relevant public databases; and
- (f) the improvement of Borrower's procedures to assess the welfare of households enrolled in the AMEN Social Program registry through: (i) the carrying out of social survey(s) of all registered households in the AMEN Social Program registry under simplified procedures; (ii) the simplification of procedures and recertification protocols to assess the welfare of all households enrolled in the AMEN Social registry; and (iii) implementation of the selection process (including the eligibility criteria and the targeting model) for the enrollment of new beneficiary households.

3. Section I.C of Schedule 2 to the Original Loan Agreement is hereby amended and replaced in its entirety to read as follows:

"For purposes of implementing Components 1.3, 2.2, 2.3 and 3.1 of the Project (PBC#1-9):

- 1. The Borrower, through the MoSA, shall carry out a verification process at least annually through the CGSP for the verification of achievement of PBCs which are set forth in the table in Schedule 4 to this Agreement in accordance with the Verification Protocol, and furnish to the Bank not later than sixty (60) days after the verification of compliance of said PBCs, reports on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.
 - 2. Such verifications will be based on a review of the documentation available at the MoSA, as well as during on-site verification missions if any."
4. The table of Performance-Based Conditions of Schedule 4 to the Original Loan Agreement is hereby amended and replaced in its entirety to read as the table in the Annex to this Amendment Letter.
5. Section I-Definitions- in the Annex to the Original Loan Agreement is hereby amended as follows:

The following definition is amended and replaced in its entirety to read as follows:

""EEP"" means eligible expenditure program, a portion of the Borrower's budgetary allocation required for the implementation of Components 1.3, 1.4, 2.2, 2.3 and 3.1 of the Project, consisting of permanent cash transfers paid under the AMEN Social Program."

All other provisions of the Original Loan Agreement, except as amended herein, shall remain in full force and effect.

Please indicate your agreement with the foregoing amendments to the Original Loan Agreement on behalf of the Borrower by countersigning and dating the two original copies of this Amendment Letter and returning one countersigned original to us. Upon receipt by the Borrower of this countersigned copy, this amendment shall become effective as of the date of your countersignature.

International Bank for Reconstruction and Development

Yours sincerely,



Alexandre Arrobbio
Country Manager for Tunisia
Middle East and North Africa Region

CONFIRMED AND AGREED:

REPUBLIC OF TUNISIA

By: _____

Name: SAMIR SAIED

Title: MINISTER OF ECONOMY AND PLANNING

Date: April 6th, 2022

SCHEDULE 4

Performance-Based Conditions

PBC	Amount Allocated (EUR)
<p>PBC#1: Improvement of the PCT coverage under the AMEN Social Program using the new selection process as follows:</p> <p>(a) 285,000 beneficiary households enrolled in AMEN Social registry have been paid the PCT, 40% of which are recertified poor identified through the new eligibility criteria and targeting model set forth in the POM.</p> <p>(b) 310,000 beneficiary households enrolled in AMEN Social registry have been paid the PCT, 60% of which are recertified poor identified through the new eligibility criteria and targeting model set forth in the POM.</p> <p>(c) 310,000 beneficiary households enrolled in AMEN Social registry have been paid the PCT, 80% of which are recertified poor identified through the new eligibility criteria and targeting model set forth in the POM.</p>	<p>(a) 4,130,000</p> <p>(b) 12,390,000</p> <p>(c) 4,130,000</p>
<p>PBC#2: An assessment report of the implementation of the Borrower's family allowance pilot program for all children 0 to 5 years old of poor and vulnerable households, including process and impact evaluation, recommendations and an action plan to improve the delivery system, has been validated and published by the MoSA.</p>	<p>4,956,000</p>
<p>PBC#3: The expansion of family allowances for all children 0 to 5 years old of poor and vulnerable households registered under the AMEN Social Program, approved by the Borrower.</p>	<p>4,956,000</p>
<p>PBC#4: the PMT formula used under the AMEN Social Program has been updated and used for the identification of all new poor beneficiary households in a given year.</p>	<p>4,130,000</p>
<p>PBC#5: The Borrower has prepared and published two (2) annual reports on the monitoring and evaluation of the AMEN Social Program under terms of references as further described in the Verification Protocol:</p> <p>(a) Annual report in a given year</p> <p>(b) Annual report in a subsequent year.</p>	<p>4,130,000</p> <p>4,130,000</p>
<p>PBC#6: Increase the number of beneficiary households receiving PCT and FA under the AMEN Social Program through digital payment tools from 240,000 to 300,000.</p>	<p>4,130,000</p>

<p>PBC#7: Strengthening the governance and institutional arrangements of the AMEN Social Program through:</p> <p>(a) The establishment and operationalization of the Higher Council for Social Development, including publication of the decree and minutes of its first meeting.</p> <p>(b) The preparation and submission to the Council of Ministers of a report on the financial and human resources necessary for the establishment and operationalization of the National Agency for Integration and Social Development (“NAISD”), including an operational manual defining the financial and administrative aspects of this agency; and submission to the Council of Ministers of the draft ministerial decree regarding the establishment of the NAISD.</p>	<p>0</p> <p>0</p>
<p>PBC#8: Reduction of manual cross-check of household data in the AMEN Social Program registry through automatic exchange:</p> <p>(a) Automatic exchange of information between the AMEN Social Program MIS and the CNSS, the CNRPS and the ATTT.</p> <p>(b) Automatic exchange of information between the AMEN Social Program MIS and two additional Borrower’s public administration databases (listed in the Verification Protocol).</p>	<p>0</p> <p>0</p>
<p>PBC#9: Improvement of the procedures and recertification protocols to assess the welfare of all households enrolled in the AMEN Social Program registry through:</p> <p>(a) The simplification of the procedures for the completion of the social survey and finalization of the recertification protocol.</p> <p>(b) Completion of the social surveys for all registered households in the AMEN Social Program registry.</p>	<p>0</p> <p>0</p>