
GCF GRANT NUMBER C3446-TN

Green Climate Fund

Financing Agreement

(Tunisia-Italy Electricity Integration and Renewable Energy Ecosystem Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Acting as an Accredited Entity of the Green Climate Fund

GCF GRANT NUMBER C3446-TN

GCF FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TUNISIA (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as an Accredited Entity of the Green Climate Fund (“Bank”). The Recipient and the Bank hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

ARTICLE II — PROJECT

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Part 3.3 of the Project in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

ARTICLE III — GCF FINANCING

- 3.01. The Bank agrees to extend to the Recipient a non-reimbursable grant in the amount of one million Dollars (USD1,000,000) (variously, “GCF Grant” and “GCF Financing”), to assist in financing of Part 3.3 of the Project.
- 3.02. The Recipient may withdraw the proceeds of the GCF Financing in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The GCF Financing is funded out of the GCF Accredited Entity Trust Fund for which the Bank receives periodic contributions from the GCF. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the GCF under the GCF Accredited Entity Trust Fund, and the Recipient’s right to withdraw the GCF Financing proceeds is subject to the availability of such funds.

ARTICLE IV —TERMINATION

- 4.01. The Effectiveness Deadline is the date one hundred twenty days (120) days after the Signature Date.
- 4.02. For purposes of Section 8.05(b) of the Standard Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister in charge of economy and planning.
- 5.02. For purposes of Section 9.01 of the Standard Conditions:
 - (a) the Recipient's address is:
Ministry of Economy and Planning
Avenue Cheikh Mohamed Fadhel Ben Achour Tour « A »
Centre Urbain Nord
1082; and
 - (b) the Recipient's Electronic Address is:

Facsimile: 216 71 799 069
- 5.03. For purposes of Section 9.01 of the Standard Conditions:
 - (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
 - (b) the Bank's Electronic Address is:

Telex: Facsimile:
248423 (MCI) 1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF TUNISIA

By

Sihem Boughdiri Nemsia

Authorized Representative

Name: Sihem Boughdiri Nemsia

Title: Ministre de l Economie et de la Planification

Date: December 7, 2023

**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Acting as an Accredited Entity of the Green Climate Fund

By

Alexandre Arrobbio

Authorized Representative

Name: Alexandre Arrobbio

Title: Country Manager

Date: December 7, 2023

SCHEDULE 1

Project Description

The objective of the Project is to increase Tunisia's resilient transmission capacity for the trade of electricity with Europe for the benefit of Tunisian households and businesses.

The Project consists of the parts set forth in Schedule 1 to the IBRD Loan Agreement, including the following Project activities:

3. Project Implementation Support and Technical Assistance for Variable Renewable Energy ("VRE") Deployment

- 3.3 The provision of technical assistance and training for the establishment of a renewable energy center of excellence to maximize socio-economic benefits for, *inter alia*: (a) the development of the business model and the governance arrangement through the preparation of relevant studies; (b) capacity development through the design and carrying out of a vocational training course and a training course at undergraduate level; and (c) the carrying out of other relevant training and research needs assessments with the participation of the private sector and industry stakeholders.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

PIU

1. No later than thirty (30) days after the Effective Date, or such other date as agreed by the Bank, the Recipient shall establish and maintain, throughout the implementation of Part 3.3 of the Project, the Project implementing unit within the Recipient's ministry in charge of higher education and scientific research ("PIU") in charge of the day-to-day management, coordination, implementation, monitoring, and evaluation (including reporting requirements) of Part 3.3 of the Project; said PIU with functions, composition, and adequate resources acceptable to the Bank.

Project Oversight Committee

2. The Recipient shall ensure that the "Project Oversight Committee is established not later than ninety (90) days after the effective Date, or such other date as agreed by the Bank, and thereafter operated and maintained throughout Project implementation, with composition, terms of reference and functions acceptable to the Bank and defined in the POM to provide strategic guidance and oversight of the Project.

Project Operational Manual

3. The Recipient shall, through the *PIU*: (a) no later than ninety (90) days after the Effective Date, or such later date as agreed by the Bank, prepare and adopt a manual for the implementation, monitoring and evaluation of Part 3.3 of the Project ("Project Operational Manual" or "POM"); and (b) immediately thereafter, carry out Part 3.3 of the Project in accordance with the POM; and (c) ensure that the POM or any of its provisions is not amended, abrogated or waived without the Bank's prior written consent. In case of conflict between the provisions of the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

B. Annual Work and Budget Programs

1. The Recipient shall: (a) not later than November 30 of each calendar year during Project implementation, prepare and furnish to the Bank, a program of Project activities under Part 3.3 of the Project ("Annual Work and Budget Program") acceptable to the Bank for implementation in the following calendar year, including:

(i) a detailed timetable for the sequencing and implementation of said activities; and
(ii) the types of Eligible Expenditures required for such activities, a financing plan and a budget; and (b) thereafter carry out each said Annual Work and Budget Program In accordance with its terms and in a manner acceptable to the Bank.

C. Environmental and Social Standards.

1. The Recipient shall ensure that Part 3.3 of the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that Part 3.3 of the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project activities under Part 3.3 which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Bank each Project Report (in respect of Part 3.3 of the Project) not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the GCF Grant

A. General

Without limitation upon the provisions of Article II of the Standard Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the GCF Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the GCF Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, and consulting services for Part 3.3 of the Project	1,000,000	100%
TOTAL AMOUNT	1,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 28, 2028.

Section IV. Other Undertakings

A. Cooperation with GCF

Without limitation upon the provisions of Sections 2.10 and 2.11 of the Standard Conditions, the Recipient shall cooperate with the Bank and the GCF and facilitate the conduct of any reviews, ad hoc checks, verifications or evaluations related to Part 3.3 of the Project and the GCF Financing as may be requested by the GCF.

APPENDIX

Definitions

1. “Annual Work and Budget Program” means an annual work plan and budget for the implementation of the Project referred to in Section I.B of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated 28 April 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
5. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
6. “IBRD Loan Agreement” means agreement between the *Société Tunisienne d’Electricité et de Gaz* and the Bank of the same date as this Agreement dated June 22, 2023, as such agreement may be amended from time to time, and it includes all appendices, schedules and agreements supplemental to the IBRD Loan Agreement.

7. “PIU” means the implementing unit referred to in Section I.A.1 of Schedule 2 to this Agreement.
8. “Procurement Regulations” means, for purposes of paragraph 50 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
9. “Project Operational Manual” or “POM” means the manual referred to in Section I. A.3 of Schedule 2 to this Agreement, in form and substance acceptable to the Bank, setting forth the details of all operational arrangements for the implementation, monitoring and supervision of Part 3.3 of the Project as said manual may be amended from time to time with Bank’s prior written consent.
10. “Project Oversight Committee” means the committee referred to in Section I.A.2 of Schedule 2 to the IBRD Loan Agreement.
11. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the GCF Financing Agreement” in the Standard Conditions.
12. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Financing Made by the Bank Acting as an Accredited Entity of the Green Climate Fund Out of the GCF Accredited Entity Trust Fund”, dated October 8, 2019.