

CONFORMED COPY

LOAN NUMBER 7917-TN

Loan Agreement

(Northern Tunis Wastewater Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

OFFICE NATIONAL DE L'ASSAINISSEMENT

Dated October 7, 2010

LOAN NUMBER 7917-TN

LOAN AGREEMENT

Agreement dated October 7, 2010, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and OFFICE NATIONAL DE L’ASSAINISSEMENT (“Borrower”). The Borrower and the Bank hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II - LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifty two million Dollars (\$52,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.
- 2.05. The Payment Dates are April 15 and October 15 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III - PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV - REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Basic Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the Borrower's ability to perform any of its obligations under the Guarantee Agreement.
- (b) The Borrower shall have failed to perform any of its obligations under the GEF Grant Agreement.

- 4.02. The Additional Events of Acceleration consist of the following:
- (a) The event specified in paragraph (a) Section 4.01 of this Agreement occurs.
 - (b) The event specified in paragraph (b) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower and the Guarantor.

ARTICLE V - EFFECTIVENESS; TERMINATION

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:
- (a) That the execution and delivery of this Agreement on behalf of the Borrower has been duly authorized or approved by all necessary governmental and corporate action.
 - (b) That the GEF Grant Agreement of even date herewith between the Borrower and the Bank, providing a grant in support of the Project, has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it, other than the effectiveness of this Agreement, have been fulfilled.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is the President-Director-General of the Borrower.
- 6.02. The Borrower's Address is:

Office National de l'Assainissement
32, rue Hedi Nouria
1023 Tunis
Republic of Tunisia

Cable address:

Facsimile:

ONAS
Tunis

216 71350411

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Shamshad Akhtar

Authorized Representative

OFFICE NATIONAL DE L'ASSAINISSEMENT

By /s/ Mohamed Nouri Jouini

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (a) provide an environmentally safe disposal system for the treated wastewater which will not be reused in agriculture in the North of Tunis; and (b) increase the quantity and quality of treated wastewater made available to farmers to encourage its reuse in agriculture in the Borj Touil area.

The Project consists of the following parts:

Part A: Transfer of Treated Wastewater (TWW) to Increase its Reuse in Agriculture

1. Installation of two HDPE pipelines of 1800 mm of diameter to convey the TWW under the El Khelij Canal, through a siphon, and along an existing dirt road until a 'storage and regulation' basin located about 2.7 km north from the discharge point, through the carrying out of works and the provisions of goods.
2. Installation of a two-compartment basin of a capacity of 160,000 m³ and covering about six (6) hectares to segregate and store TWW based on its quality through the carrying out of works and the provisions of goods.
3. Construction of a pumping station with a total capacity of about 2.7 m³/s to feed the outflow towards the reuse infrastructure as well as the transfer pipes and submarine outfall through the carrying out of works and the provisions of goods.
4. Provision of equipment necessary to ensure the quality operation and appropriate maintenance of the pipelines, basin and pumping station under this Part A of the Project.

Part B: Improvement of the Discharge of the Remaining TWW in the Mediterranean Sea

Developing the infrastructure necessary to improve the discharge of the remaining TWW in the Mediterranean Sea through:

1. Installation of one pressure HDPE pipeline of 1600 mm of diameter to convey the TWW for about five (5) km from the storage basin to the submarine outfall following the right side of the El Hissiène Oued, through the carrying out of works and the provisions of goods.
2. Construction of about six (6) km long submarine outfall to discharge the TWW at a depth of about twenty (20) meters, through the carrying out of works and the provisions of goods.

3. Conducting a detailed review of the design of the submarine outfall and supervising the critical phases of its construction, through the provision of consultants' services.

Part C: Monitoring and Capacity Strengthening

1. Strengthening the monitoring systems in the Project Area through the provision of consultants' services.
2. Strengthening the coordination mechanisms among agencies involved in wastewater reuse, in particular the Borrower and MARHP, through the provision of consultants' services.
3. Preparing the detailed designs for: (a) the improved discharge through a submarine outfall in the South of Tunis; and (b) a new wastewater treatment plant in the North of Tunis, through the provision of consultants' services.
4. Dissemination of TWW reuse experience in Tunisia and contribution to regional partnerships, through the provision of consultants' services.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Borrower shall, until the completion of the Project, ensure that it maintains at all times staff and financial resources appropriate for Project implementation.

B. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Borrower shall ensure that all activities under the Project are carried out in accordance with the provisions of the ESIA, EMP, and LAP. The Borrower shall not assign, amend, abrogate or waive the ESIA, EMP, and/or LAP or any provision thereof, without the prior approval of the Bank.
2. The Borrower shall carry out the land acquisition activities under the Project in accordance with the LAP in a timely manner.
3. The Borrower shall ensure that adequate information on the implementation of the environmental management plans and/or environmental mitigation measures and on land acquisition is suitably included in the reports referred to in Section II.A of this Schedule 2.
4. Upon completion of the dispersion modeling studies, the Borrower shall update and submit to the Bank, for its review, the ESIA and shall by not later than June 30, 2012, publicly disclose the revised ESIA as approved by the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. In addition, the Borrower shall have its financial statements reflecting its general operations and its financial condition (the "General Financial Statements") prepared in accordance with consistently applied accounting standards acceptable to the Bank, and audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of the Financial Statements and the General Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements and the audited General Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
<p>(a) National Competitive Bidding of the Borrower may be used for procurement of goods and works for the Project, subject to the following additional provisions:</p> <ol style="list-style-type: none">(i) The bidding document clearly explains the bid evaluation, award criteria and bidder qualification criteria;(ii) Any bidder registered in an eligible country, as defined in paragraphs 1.6 to 1.8 of the Procurement Guidelines will be eligible to bid; therefore no restriction based on nationality of bidders or origin of goods shall apply and foreign bidders shall not be subject to any unjustified requirement which will affect their ability to bid;(iii) Government-owned enterprises in the Borrower's country may participate only if they can establish that they: (A) are legally and financially autonomous; (B) operate under commercial law, and (C) are independent from contracting entity;(iv) Bidders will be allowed to deliver their bids by mail or by hand before the expiration of the deadline for submitting bids;(v) Technical and financial envelopes are submitted together and opened in public, simultaneously during a unique session open to the public for works, goods and non-consultant services; amounts shall be read aloud during the public session; bidders or their representatives are authorized to attend the bid opening session. The date, time and place for bid opening shall be announced in the invitation to bid; this date and time shall be the same as for the deadline for receipt of bids or immediately thereafter;

<p>(vi) Bids are evaluated on price and any other criteria disclosed in the bidding documents and quantified in monetary terms and contracts are awarded to the qualified bidder having submitted the lowest evaluated responsive bid, and price shall not be negotiated with the lowest evaluated bidder except under the provisions stated in paragraph 2.63 of the Procurement Guidelines;</p> <p>(vii) Procedures will include the publication of the evaluation results, the contract award and provision for bidders to protest;</p> <p>(viii) If foreign firms wish to participate, they shall be allowed to do so and no provision for preferential treatment of national firms or mandatory association with a national firm or prior registration in the country of the Borrower shall be applied;</p> <p>(ix) Prior to issuing the first call for bids, a draft standard bidding document to be used under National Competitive Bidding procurement must be submitted to and found acceptable by the Bank; and</p> <p>(x) Each bidding document and contract for goods and works to be financed from the proceeds of the Loan shall provide that the supplier, contractor and subcontractor shall permit the Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Bank. The deliberate and material violation by the supplier, contractor or subcontractor of such provision may amount to obstructive practice.</p>
<p>(b) Direct Contracting</p>

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Quality-based Selection
(b)	Selection under a Fixed Budget
(c)	Least Cost Selection
(d)	Selection based on Consultants' Qualifications
(e)	Single-source Selection
(f)	Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g)	Sole Source Procedures for the Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (exclusive of Taxes)
(1) Goods	13,610,000	100%
(2) Works under: (a) Parts A.2 and A.3 of the Project (b) Parts B.1 and B.2 of the Project	5,680,000 29,930,000	100%
(3) Consultants' services under: (a) Part B.3 of the Project (b) Parts C.2 and C.3 of the Project	420,000 2,230,000	100%
(4) Front-end Fee	130,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	52,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 31, 2015.

Section V. Other Undertakings

1. (a) Except as the Bank shall otherwise agree, the Borrower shall maintain, for each of its fiscal years after its fiscal year ending on: December 31, 2010, a ratio of total operating revenues to total operating expenses of not less than 0.83; December 31, 2011, a ratio of total operating revenues to total operating expenses of not less than 0.86; December 31, 2012, a ratio of total operating revenues to total operating expenses of not less than 0.88; December 31, 2013, a ratio of total operating revenues to total operating expenses of not less than 0.91; and December 31, 2014, a ratio of total operating revenues to total operating expenses of not less than 0.96.
- (b) Before July 31 in each fiscal year, the Borrower shall, on the basis of forecasts prepared by the Borrower and satisfactory to the Bank, review whether it would meet the requirements set forth in paragraph (a) in respect of such year and the next following fiscal year, and shall furnish to the Bank the results of such review upon its completion.
- (c) If any such review shows that the Borrower would not meet the requirements set forth in paragraph (a) for the Borrower's fiscal years covered by such review, the Borrower shall promptly take all necessary measures (including, without limitation, adjustments of the structure or levels of its rates) in order to meet such requirements.
- (d) For the purposes of this Section:
 - (i) The term "total operating expenses" means all expenses related to operations, including administration, adequate maintenance, taxes and payments in lieu of taxes, and excluding depreciation and other non-operating expenditures.
 - (ii) The term "total operating revenues" means revenues from all sources related to operations.
2. (a) Except as the Bank shall otherwise agree, the Borrower shall: by December 31, 2011, maintain a ratio of current assets to current liabilities of not less than 0.57; by December 31, 2012, maintain a ratio of current assets to current liabilities of not less than 0.57; by December 31, 2013, maintain a ratio of current assets to current liabilities of not less than 0.59; by December 31, 2014, maintain a ratio of current assets to current liabilities of not less than 0.57; by December 31, 2015, maintain a ratio of current assets to current liabilities of not less than 0.59.

- (b) Before July 31 in each fiscal year, the Borrower shall, on the basis of forecasts prepared by the Borrower and satisfactory to the Bank, review whether it would meet the requirements set forth in paragraph (a) in respect of such year and the next following fiscal year and shall furnish to the Bank the results of such review upon its completion.
- (c) If any such review shows that the Borrower would not meet the requirements set forth in paragraph (a) for the Borrower's fiscal years covered by such review, the Borrower shall promptly take all necessary measures (including, without limitation, adjustments of the structure or levels of its rates) in order to meet such requirements.
- (d) For the purposes of this Section:
 - (i) The term “current assets” means cash, all assets which could in the ordinary course of business be converted into cash within twelve (12) months, including accounts receivable, marketable securities, inventories and pre-paid expenses properly chargeable to operating expenses within the next fiscal year.
 - (ii) The term “current liabilities” means all liabilities which will become due and payable or could under circumstances then existing be called for payment within twelve (12) months, including accounts payable, customer advances, debt service requirements, taxes and payments in lieu of taxes, and dividends.
 - (iii) The term “debt service requirements” means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on, debt.
 - (iv) Whenever for the purposes of this Section it shall be necessary to value, in terms of the currency of the Guarantor, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to the Bank.

SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each April 15 and October 15, the first installment to be payable on the twelfth (12th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fortieth (40th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one/twenty-nine (1/29) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after October 15, 2034, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Basic Legislation” means the Guarantor’s Law No. 74-73, dated August 3, 1974, as amended and completed by the Guarantor’s Law No. 93-41, dated April 19, 1993, pursuant to which the Borrower has been established and is operating as an industrial and commercial public institution.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “EMP” means the Environmental Management Plan dated April 30, 2010 duly adopted by the Borrower, included in the ESIA, which sets out the environmental mitigation and protection measures in respect of the carrying out of the Project, as well as the administrative and monitoring arrangements to ensure the implementation of said measures, as such Plan may be amended from time to time with the prior approval of the Bank.
6. “ESIA” means the environmental and social impact assessment, acceptable to the Bank, prepared by the Borrower, dated April 30, 2010, evaluating the environmental and social impact of the Project and setting forth, through the EMP, the mitigating, compensating and monitoring measures for the Project, as the same may be amended from time to time by agreement between the Borrower and the Bank.
7. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
8. “GEF Grant Agreement” means the agreement between the Borrower and the Bank for the Project, of the same date as this Agreement; as such agreement may be amended from time to time. “GEF Grant Agreement” includes all appendices, schedules and agreements supplemental to the GEF Grant Agreement.

9. “Guarantee Agreement” means the agreement between the Guarantor and the Bank of even date herewith, as the same may be amended from time to time and such term includes all schedules and agreements supplemental to the Guarantee Agreement.
10. “Guarantor” means the Republic of Tunisia.
11. “LAP” means the Land Acquisition Plan dated April 30, 2010, duly adopted by the Borrower, for the carrying out of land acquisition activities under the Project, which Plan identifies the Project sites requiring land acquisition and sets forth the procedures to be followed in the carrying out of said activities, as such Plan may be amended from time to time with the prior approval of the Bank.
12. “MARHP” means Ministère de l’Agriculture, des Ressources Hydrauliques et de la Pêche, the Ministry of Agriculture and Water Resources and Fisheries of the Guarantor, or any successor thereto.
13. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
14. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated March 29, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
15. “Project Area” means the geographical area including its in-land part the Garâat Ben Ammar lowland area and limited in the South by a line joining the existing outflow of the TWW located in the immediate North of the “Cité Chaker” residential area to the village of Raoued; in the East by the limit of the existing irrigation perimeter of Borj Touil; and in the North by a line joining the Village of Borj Touil to the seashore North of the El Hissiène open channel and including the Financial Harbor, as well as the coastal areas along Gammarth and Raoued beaches located 1 km on each side from the estuary of the El Khelij canal and 300 m towards the sea and marine areas of the Gulf of Tunis located within a 5 km radius circle from the extremity of the submarine outfall.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest*

(a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (1) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (1) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

- (b) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”