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**LOAN NUMBER 7151 – TUN**

# **Loan Agreement**

**(Northwest Mountainous and Forestry Areas Development Project)**

**between**

**REPUBLIC OF TUNISIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated December 23, 2002**



**LOAN NUMBER 7151 – TUN**

**LOAN AGREEMENT**

AGREEMENT, dated December 23, 2002, between REPUBLIC OF TUNISIA (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested the Bank to assist in the financing of the Project; and

(B) the Project will be carried out by the Office du Développement Sylvo-Pastoral du Nord-Ouest (ODESYPARNO) with the Borrower's assistance and, as part of such assistance, the Borrower will make the proceeds of the loan provided for in Article II of this Agreement (the Loan) available to ODESYPARNO, as set forth in this Agreement;

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement and in the agreement of even date herewith between the Bank and ODESYPARNO (the Project Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

**ARTICLE I**

**General Conditions; Definitions**

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements for Fixed-Spread Loans" of the Bank dated September 1, 1999 (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "AFA" means agricultural land agency (agence foncière agricole);

(b) "Basic Legislation" means the Borrower's Law No. 81-17 dated March 9, 1981, pursuant to which ODESYPARNO has been established and operates as an industrial and commercial public institution, and the Borrower's Decree No. 81-975 dated July 15, 1981, setting forth the administrative and financial organization of ODESYPARNO, as both may be amended from time to time;

(c) “Central Bank of Tunisia” means the Borrower’s Central Bank (Banque Centrale de Tunisie) established and operating pursuant to the Borrower’s Law No. 58-90 dated September 19, 1958, as the same may be amended from time to time;

(d) “CDP” means the community development plan referred to in paragraph 3 (c) of Schedule 2 to the Project Agreement;

(e) “Eligible Categories” means categories (1), (2) and (3) set forth in the table of Schedule 1 to this Agreement;

(f) “Eligible Expenditures” means the expenditures for goods and services referred to in Section 2.02(a) of this Agreement;

(g) “Environmental Assessment” means the Borrower’s environmental assessment, dated April 2002, whose substance is satisfactory to the Bank, which describes, inter alia: (i) the identification and assessment processes of potential environmental impact of activities to be carried out under the Project; (ii) an evaluation of alternative measures; and (iii) the appropriate mitigation, monitoring, institutional and management measures required for the implementation of the Project with a view to ensuring compliance of the activities referred to in sub-paragraph (i) herein with said measures and to eliminating adverse environmental impacts, offsetting such impacts, or reducing them to acceptable levels;

(h) “Financial Monitoring Report” and “FMR” mean each report prepared in accordance with Section 4.02 of the Project Agreement;

(i) “Fiscal Year” means the Borrower’s fiscal year commencing on January 1 and ending on December 31;

(j) “Implementing Agency” means a governmental agency or a non-governmental organization taking part in the implementation of Sub-projects (as this term is hereinafter defined) on the basis of a Partnership Arrangement (as this term is hereinafter defined) agreed upon by the Borrower and the Bank;

(k) “Midterm Review” means the midterm review referred to in paragraph 5 of Schedule 2 to the Project Agreement;

(l) “Partnership Arrangement” means the partnership arrangement referred to in paragraph 3 of Schedule 2 to the Project Agreement;

(m) “Procedure Manual” means the Borrower’s Procedure Manual, dated March 2002, whose substance is satisfactory to the Bank, which sets out the principles and procedures governing the implementation of the Project, which, inter alia: (i) defines the respective roles and responsibilities of the agencies involved in the implementation of the Project; (ii) sets forth the timetable of actions required to be carried out under the

Project; (iii) identifies the criteria for the selection of Project activities and the procedures to be used for monitoring and evaluating progress towards the achievement of the objectives of the Project; (iv) details the financial management procedures for the Project, including, *inter alia*, the auditing, accounting and financial reporting arrangements for the Project; and (v) set outs the details of the process framework setting forth the principles governing the participation of the local communities; as the same may be amended from time to time by agreement between the Borrower and the Bank;

(n) “Project Agreement” means the agreement between the Bank and ODESYPANO 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 Project Agreement;

(o) “Project Area” means the governorates of Béja, Bizerte, Kef, Jendouba and Siliana;

(p) “Special Account” means the account referred to in Section 2.02(b) of this Agreement;

(q) “Steering Committee” means the committee to be maintained by the Borrower in accordance with paragraph 1 of Schedule 2 to the Project Agreement; and

(r) “Sub-project” means any specific investment, acceptable to the Bank, to be made by Implementing Agencies in accordance with paragraph 4 of Schedule 2 to the Project Agreement.

Section 1.03. Each reference in the General Conditions to the Project implementation entity shall be deemed as a reference to ODESYPANO.

## **ARTICLE II**

### **The Loan**

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to thirty four million seven hundred thousand Euros (EUR 34,700,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.09 of this Agreement.

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan and in respect of the front-end fee referred to in Section 2.04 of this

Agreement and any premium in respect of an Interest Rate Cap or Interest Rate Collar payable by the Borrower in accordance with Section 4.04(c) of the General Conditions.

(b) The Borrower may, for the purposes of the Project open and maintain in Euros a special deposit account in the Central Bank of Tunisia on terms and conditions satisfactory to the Bank. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2008 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Loan. On or promptly after the Effective Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amount of such fee.

Section 2.05. The Borrower shall pay to the Bank a commitment charge on the principal amount of the Loan not withdrawn from time to time, at a rate equal to: (i) eighty five one-hundredths of one per cent (0.85%) per annum from the date on which such charge commences to accrue in accordance with the provisions of Section 3.02 of the General Conditions to but not including the fourth anniversary of such date; and (ii) seventy five one-hundredths of one per cent (0.75%) per annum thereafter.

Section 2.06. The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, in respect of each Interest Period at the Variable Rate; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the Borrower shall, during the Conversion Period, pay interest on such amount in accordance with the relevant provisions of Article IV of the General Conditions.

Section 2.07. Interest and commitment charges shall be payable semiannually in arrears on April 1 and October 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the provisions of Schedule 3 to this Agreement.

Section 2.09. (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 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 said 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 Section 2.01(7) of the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar in respect of which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.04(c) of the General Conditions up to the amount allocated from time to time for such purpose in the table in paragraph 1 of Schedule 1 to this Agreement.

### **ARTICLE III**

#### **Execution of the Project**

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, without any limitation or restriction upon any of its other obligations under the Loan Agreement, shall cause ODESYPANO to perform in accordance with the provisions of the Project Agreement all the obligations of ODESYPANO therein set forth, shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable ODESYPANO to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause ODESYPANO to carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to the Project Agreement, the Procedure Manual and the Environmental Assessment.

(c) The Borrower shall promptly make the proceeds of the Loan available to ODESYPANO through budgetary allocations.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 1 to the Project Agreement.

Section 3.03. The Bank and the Borrower hereby agree that the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) shall be carried out by ODESYFANO pursuant to Section 2.03 of the Project Agreement.

## **ARTICLE IV**

### **Financial Covenants**

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained in accordance with sound accounting practices, records and separate accounts reflecting such expenditures;
- (ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made; and
- (iii) enable the Bank's representatives to examine such records.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a)(i) of this Section and those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six (6) months after the end of each such year the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested, including a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the



procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and

- (iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request.

## **ARTICLE V**

### **Remedies of the Bank**

Section 5.01. Pursuant to Section 6.02(p) of the General Conditions, the following additional events are specified:

(a) ODESYPANO shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation shall have arisen which shall make it improbable that ODESYPANO will be able to perform its obligations under the Project Agreement.

(c) The Basic Legislation or any other law, decree or resolution of the Borrower shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the organization, powers, financial condition or operations of ODESYPANO or its ability of to perform any of its obligations under the Project Agreement.

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of ODESYPANO or for the suspension of ODESYPANO's operations.

Section 5.02. Pursuant to Section 7.01(k) of the General Conditions, the following additional events are specified:

(a) The event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Borrower.

(b) The events specified in paragraphs (c) and (d) of Section 5.01 of this Agreement shall occur.

## **ARTICLE VI**

### **Effective Date; Termination**

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 12.01(c) of the General Conditions, namely that the Borrower shall have established the Steering Committee.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 12.02(c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely, that the Project Agreement has been duly authorized by ODESYPANO, and is legally binding upon ODESYPANO in accordance with its terms.

Section 6.03. The date one hundred and twenty (120) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

## **ARTICLE VII**

### **Representative of the Borrower; Addresses**

Section 7.01. The Minister of Development and International Cooperation of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Development and International Cooperation  
Place Ali Zouaoui  
1000 Tunis  
Republic of Tunisia

Telex:

5117

Facsimile:

216-71-351-279

For the Bank:

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)

(202) 477-6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF TUNISIA

By /s/ Hatem Atallah  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Jean-Louis Sarbib  
Regional Vice President  
Middle East and North Africa

**SCHEDULE 1**

**Withdrawal of the Proceeds of the Loan**

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Loan Allocated Expressed in Euros)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	26,500,000	80%
(2) Goods	1,500,000	100% of foreign expenditures, 100 % of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally
(3) Consultants' services and training	3,500,000	87% of local expenditures for services of consultants domiciled within the territory of the Borrower and 79% of foreign expenditures for services of other consultants' services and training
(4) Front-end fee	347,000	Amount due under Section 2.04 of this Agreement

<u>Category</u>	<u>Amount of the Loan Allocated Expressed in Euros)</u>	<u>% of Expenditures to be Financed</u>
(5) Unallocated	2,853,000	
(6) Premia for Interest Rate Caps and Interest Rate	0	Amount due under Section 2.09(c) of this Agreement
TOTAL	<u>34,700,000</u>	

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower; and

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures for: (a) works under contracts not exceeding US\$100,000 equivalent each; (b) goods under contracts not exceeding US\$400,000 equivalent each; (c) services under contracts not exceeding US\$50,000 equivalent each for individual consultants; (d) services under contracts not exceeding US\$100,000 equivalent each for consulting firms; and (e) training under contracts not exceeding US\$50,000 equivalent each, all under such terms and conditions as the Bank shall specify by notice to the Borrower.

## **SCHEDULE 2**

### **Description of the Project**

The objectives of the Project are to increase household incomes and enhance the socio-economic conditions of the population in the Project Area, while ensuring sustainable management of the natural resources, through the improvement and diversification of the agricultural and pastoral production systems and the promotion of off-farm income-generating activities.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

#### Part A: Institutional Strengthening of ODESYPANO, Project Implementing Agencies and Beneficiary Population

Strengthening the institutional capacity of ODESYPANO, the Project Implementing Agencies and the beneficiary population in planning, implementing and monitoring Project activities, by:

1. reinforcing ODESYPANO's organizational structure through: (a) the provision of technical assistance to redefine ODESYPANO's roles and responsibilities and human resources planning and management capacities; (b) the purchase of equipment and vehicles, and the carrying out of building rehabilitation works; and (c) the provision of technical assistance to formulate a CDP for the first two (2) years of Project implementation, and update ODESYPANO's procedures manuals;
2. improving ODESYPANO's information systems to support ODESYPANO's decentralized structure and monitoring and evaluation role, through the purchase of equipment and materials and the provision of technical assistance;
3. providing technical assistance and carrying out training activities to strengthen the skills and career development program of ODESYPANO's staff in the fields of planning, monitoring and evaluation, use of information systems, socio-economic development of rural populations and environment; and
4. carrying out a program of targeted activities aimed at increasing the capacity of the Project Implementing Agencies and beneficiary population in participating in the formulation and implementation of Project activities through: (a) the carrying out of training activities and organization of workshops with a view to promoting information dissemination, planning, coordination and consensus-building among Project Implementing Agencies; (b) the purchase of small office equipment and materials; and (c) the provision of technical assistance to carry out the environmental screening and evaluation during the preparation of CDPs.

### Part B: Implementation of Pilot Operations

Implementation of a pilot program of Sub-projects aiming at: (a) encouraging the participation of forestry and peri-forestry beneficiaries in forestry management and harvesting activities; (b) reducing land fragmentation; and (c) increasing on-farm and off-farm revenues, through:

1. carrying out of pilot integrated development operations to support forest dwelling communities with a view to improving their access to, and management of forest resources, through: (a) the provision of technical assistance to prepare CDPs; (b) the provision of forestry extension services and purchase of small equipment to increase beneficiary access to forest management activities; and (c) the provision of training and carrying out of trial/demonstration activities relating to improved forestry practices;
2. developing pilot land consolidation and titling operations to improve agricultural farming, through: (a) the provision of technical assistance to AFA and purchase of equipment to: (i) conduct information campaigns for targeted communities; and (ii) implement land consolidation and titling operations; and (b) the construction of small access tracks to the consolidated lands; and
3. supporting micro-projects and enterprises, through the provision of technical assistance for: (a) carrying out market analysis and identifying viable micro-projects; (b) training selected beneficiaries and ODESYPANO staff in, *inter alia*, project formulation, credit and market analysis; (c) assisting beneficiaries in preparing and presenting technically and financially sound micro-projects proposals to financial institutions; and (d) supporting the development of viable markets, including the promotion of beneficiary participation in fairs, advising in processing/packaging and provision of information on quality standards.

### Part C: Agricultural and Livestock Development

Implementation of a program of Sub-projects supporting enhanced extension services with a view to disseminating improved technical packages in crop production and livestock husbandry, including veterinary services, through:

1. agricultural extension to producers, including: (a) the provision of technical assistance in: (i) updating reference manuals on available agricultural technologies and practices; and (ii) conducting applied research on the diversification and improvement of agricultural production systems; (b) the provision of training and demonstration equipment and materials to the extension services; (c) technical support to small-scale local investors to solve agricultural and pastoral development-related technical problems; and (d) the provision of specialized extension services relating to milk production and processing;



2. promoting livestock development, including: (a) the provision of training for inseminators; (b) the provision of bulls, rams and billy-goats; and (c) the support to selected Sub-projects in animal-health and bee-keeping activities; and
3. carrying out of works to rehabilitate small-scale irrigation schemes, including community wells and water springs.

Part D: Sustainable Natural Resource Management

Improving sustainable environmental and natural resource management by supporting Sub-projects to be managed and maintained by local beneficiaries, through:

1. carrying out of construction works to promote soil and water conservation, including: (a) stonewalls and plantations to control gully erosion; and (b) small dikes and grass strips to enhance protection against floods on private and state-owned land;
2. improving pasture and rangelands, including the establishment of pasture and rangelands in degraded areas and the promotion of the use of non-utilized and under-utilized land through the establishment of pastoral species, to reduce the impact of erosion and degradation; and
3. establishing agro-forestry plantations, with an emphasis on matching appropriate species with existing eco-systems, to improve the environmental management as well as the commercial value of said plantations.

Part E: Improvement of Basic Rural Infrastructure

Implementation of a program of Sub-projects to construct and rehabilitate basic rural infrastructure in the Project Area, with a view to de-isolating remotely located beneficiary populations and improving their access to markets and basic social services, including: (a) construction and rehabilitation of rural roads; and (b) improvement of access to potable water resources, through the construction and rehabilitation of wells, water cisterns and potable water connections.

\* \* \*

The Project is expected to be completed by June 30, 2008.

### SCHEDULE 3

#### Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<u>Payment Date</u>	<u>Installment Share (Expressed as a %)</u>
April 1, 2003	0.00%
October 1, 2003	0.00%
April 1, 2004	0.00%
October 1, 2004	0.00%
April 1, 2005	0.00%
October 1, 2005	0.00%
April 1, 2006	0.00%
October 1, 2006	0.00%
April 1, 2007	0.00%
October 1, 2007	0.00%
April 1, 2008	6.00%
October 1, 2008	5.00%
April 1, 2009	6.00%
October 1, 2009	0.00%
April 1, 2010	0.00%
October 1, 2010	0.00%
April 1, 2011	6.00%
October 1, 2011	0.00%
April 1, 2012	0.00%
October 1, 2012	0.00%
April 1, 2013	6.00%
October 1, 2013	5.00%
April 1, 2014	5.00%
October 1, 2014	4.00%
April 1, 2015	4.00%
October 1, 2015	3.00%
April 1, 2016	5.00%
October 1, 2016	3.00%

<u>Payment Date</u>	<u>Installment Share</u> <u>(Expressed as a %)</u>
April 1, 2017	3.00%
October 1, 2017	3.00%
April 1, 2018	3.00%
October 1, 2018	3.00%
April 1, 2019	3.00%
October 1, 2019	3.00%
April 1, 2020	3.00%
October 1, 2020	3.00%
April 1, 2021	3.00%
October 1, 2021	3.00%
April 1, 2022	3.00%
October 1, 2022	2.00%
April 1, 2023	2.00%
October 1, 2023	2.00%
April 1, 2024	2.00%
October 1, 2024	1.00%

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be 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 said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said 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 principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

## **SCHEDULE 4**

### **Special Account**

1. For the purposes of this Schedule:
  - (a) the term “eligible Categories” means Categories (1), (2) and (3) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;
  - (b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and
  - (c) the term “Authorized Allocation” means the amount of EUR 2,000,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3(a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to the amount of EUR 1,000,000 until the aggregate amount of withdrawals from the Loan Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of EUR 5,000,000.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.
3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:
  - (a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.
  - (b)
    - (i) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.
    - (ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the

basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Borrower shall have failed to furnish to the Bank, within the period of time specified in Section 4.01(b)(ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Loan allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount of the Loan allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the respective Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the respective Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Borrower may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.