

CONFORMED COPY

LOAN NUMBER 3673 TUN

Guarantee Agreement

(Private Investment Credit Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Dated February 14, 1994

LOAN NUMBER 3673 TUN

GUARANTEE AGREEMENT

AGREEMENT, dated February 14, 1994, between the REPUBLIC OF TUNISIA (the Guarantor) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Guarantor and the BANQUE DE DEVELOPPEMENT ECONOMIQUE DE TUNISIE (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project; and

(B) by the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in various currencies equivalent to twelve million dollars (\$12,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as provided in this Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering

into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower and to undertake such other obligations as set forth in this 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" of the Bank, dated January 1, 1985, with the modifications set forth in Schedule 6 to the Loan Agreement (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, in the Preamble to this Agreement and in the Preamble to and Section 1.02 of the Loan Agreement have the respective meanings therein set forth; and the term "Development Bank" means a banking institution which qualifies as such pursuant to the provisions of the Guarantor's Law No. 67-51, dated December 7, 1967, setting forth the regulation of the banking profession, as the same may be amended from time to time.

#### ARTICLE II

##### Guarantee; Provision of Funds

Section 2.01. Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, the Loan, and the premium, if any, on the prepayment of the Loan, all as set forth in the Loan Agreement.

#### ARTICLE III

##### Other Covenants

Section 3.01. Without any limitation upon any of its other obligations under this Agreement, the Guarantor shall take all measures as may be required on its part to assist and enable the Borrower to carry out the Project and comply with its obligations under the Loan Agreement.

Section 3.02. The Guarantor shall at all times take all adequate action satisfactory to the Bank to permit the Borrower to protect itself against risk of loss resulting from changes in the rates of exchange between the currencies (including the currency of the Guarantor) used in its operations.

Section 3.03. (a) The Guarantor shall, on the basis of recommendations and criteria agreed to with the Bank, prepare in consultation with all parties concerned for submission to the Bank not later than June 30, 1995, a report outlining measures to implement a strategy to foster the overall development of the Development Banks within the Guarantor's banking and financial sector.

(b) The Guarantor shall afford the Bank a reasonable opportunity to exchange views with the Central Bank and the Development Banks on said report and shall promptly thereafter introduce the necessary revisions in the report as approved by the Bank.

#### ARTICLE IV

Representatives of the Guarantor; Addresses

Section 4.01. The Minister of International Cooperation and Foreign Investment of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 4.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Ministry of International Cooperation  
and Foreign Investment  
149, Avenue de la Libert  
1002 Tunis-Belv'd're  
Republic of Tunisia

Cable address:	Telex:
MCIIE	18060

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:
INTBAFRAD Washington, D.C.	248423 (RCA) 82987 (FTCC) 64145 (WUI) or 197688 (TRT)

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/ Ismail Khelil  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Caio Koch-Weser  
Regional Vice President  
Middle East and North Africa

