TO: The President, International Bank for Reconstruction and Development

Report of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposed Additional Loan for the Urban Water Supply Project to the Societe Nationale d'Exploitation et de Distribution des Eaux to be guaranteed by the Republic of Tunisia.

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grants to Societe Nationale d'Exploitation et de Distribution des Eaux an additional loan in an amount of €19,000,000, which additional loan is to be guaranteed by the Republic of Tunisia (the Guarantor). The purpose of said additional loan is to provide additional funds to supplement the financial assistance furnished by the Bank under the Loan Agreement (Urban Water Supply Project), dated December 5, 2005, (Loan No. 7339-TN), between the Bank and the Societe Nationale d'Exploitation et de Distribution des Eaux, guaranteed by the Guarantor pursuant to a Guarantee Agreement of even date therewith between the Guarantor and the Bank.

1. The Committee has carefully studied the merits of the proposal to grant such an additional loan, and of the purpose to which the proceeds of the additional loan are to be applied.

2. The Committee is of the opinion that the project toward the financing of which the proceeds of such additional loan are to be applied continues to come within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said project is designed to promote the development of the productive facilities and resources of the Republic of Tunisia and is in the interest of the Republic of Tunisia and of the members of the Bank as a whole.
3. Accordingly, the Committee finds that said project continues to merit financial assistance from the Bank, and hereby recommends said project for such additional assistance.

COMMITTEE

[Signatures]

Senior Vice President and Group General Counsel

[Signatures]

Expert selected by Governor for the Republic of Tunisia

[Signatures]

Regional Vice President
Middle East and North Africa

Dated at Washington, D.C. May 20, 2014