November 27, 2013

H. E. Lamine Doghri
Minister of Development and International Cooperation
Ministry of Development and International Cooperation
Place Ali Zouaoui
1069 Tunis
Republic of Tunisia

Re: Republic of Tunisia: Second Higher Education Reform Support Project
(Loan No. 7392-TUN)
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement between the Republic of Tunisia (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-mentioned Project, dated July 18, 2006, as amended (the Loan Agreement). We also refer to your fax dated November 8, 2013, requesting an amendment to the Loan Agreement. The capitalized terms used in this amendment letter and not defined herein have the meanings ascribed to them in the Loan Agreement.

We are pleased to inform you that the Bank, after due consideration, has acceded to the above request. Accordingly, the Loan Agreement is hereby amended as follows:

1. Section 2.03 of the Loan Agreement, is hereby amended to read as follows:

"Section 2.03. The Closing Date shall be June 15, 2014, or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date."

2. Pursuant to our consultations with representatives of the Ministry of Higher Education and Scientific Research, an amount of fifteen million Euros (EUR15,000,000) is no longer required to finance Project costs and the remaining Loan amount needs to be reallocated between the existing disbursement categories. In accordance with Section 6.03 of the General Conditions, the World Bank hereby cancels, as of November 14, 2013, the amount of fifteen million Euros (EUR15,000,000) from the Loan Account. The table under paragraph 1 in Schedule 1 to the Loan Agreement is consequently amended to read as follows:
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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (in Euros)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Works</td>
<td>20,905,000</td>
<td>100%</td>
</tr>
<tr>
<td>2. Goods and Equipment</td>
<td>10,218,000</td>
<td>100%</td>
</tr>
<tr>
<td>3. Consultants services</td>
<td>949,000</td>
<td>100%</td>
</tr>
<tr>
<td>4. Training</td>
<td>783,000</td>
<td>100%</td>
</tr>
<tr>
<td>5. PAQ for Competitive Block Grants and Management Capacity Grants for Sub-projects under Part C of the Project</td>
<td>13,445,000</td>
<td>100%</td>
</tr>
<tr>
<td>6. Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>46,300,000</td>
<td></td>
</tr>
<tr>
<td>Cancelled as of November 14, 2013</td>
<td>15,000,000</td>
<td></td>
</tr>
<tr>
<td>Original Loan Amount</td>
<td>61,300,000</td>
<td></td>
</tr>
</tbody>
</table>

3. The last sentence in Schedule 2 to the Loan Agreement is hereby amended to read as follows:

“The Project is expected to be completed by June 15, 2014.”

4. The Performance Indicators set forth in Schedule 7 to the Loan Agreement are hereby amended to read as follows:

“SCHEDULE 7

Performance Indicators

Except as the Borrower and the Bank shall otherwise agree, the Performance Indicators for the Project shall be:

1. Increased access to higher education by about 6,500 education places as evidenced through the construction of four (4) new higher education and research institutions by the Project Closing Date;
2. Develop the National Evaluation Committee into a National Authority for Evaluation and Quality Promotion as part of developing a comprehensive quality assurance system for higher education, by the Project Closing Date; and

3. PAQ is fully operational and at least one (1) round of Competitive Block Grants has been awarded and under implementation by Mid-term Review."

All the terms and conditions of the Loan Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing, on behalf of the Borrower, by signing, dating and returning to the Bank the enclosed copy of this amendment letter. This amendment letter shall become effective as of the date of its countersignature upon receipt by the Bank of the countersigned copy of this letter.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]
Dr. Simon Gray
Country Director
Maghreb Department
Middle East and North Africa Region

CONFIRMED AND AGREED:

REPUBLIC OF TUNISIA

[Signature]
By: Lamine DOGHRI
Authorized Representative

Name:
Title: 12 DEC 2013
Date: