Loan Agreement

(Tunis West Sewerage Project)

between

OFFICE NATIONAL DE L’ASSAINISSEMENT

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated July 18, 2006
AGREEMENT dated July 18, 2006, between OFFICE NATIONAL DE L’ASSAINISSEMENT (“the Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“the Bank”). 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 the Loan 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 three million nine hundred thousand Euros (EUR 53,900,000) (“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 Commitment Charge payable by the Borrower shall be equal to: (i) eighty five one-hundredths of one per cent (0.85%) per annum from the date on which the Commitment Charge commences to accrue in accordance with the provisions of Section 3.01 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; subject in either case to any waiver of a portion of such charge as may be determined by the Bank from time to time.

2.04. The Front-end Fee payable by the Borrower shall be equal to one percent (1.0%) of the Loan amount, subject to any waiver of a portion of such fee as may be determined by the Bank from time to time.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread, subject to any waiver of a portion of such interest as may be determined by the Bank from time
to time; 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.

2.06. The Payment Dates are March 15 and September 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (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 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.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for 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 the purpose in the table in Section IV of Schedule 2 to this Agreement.

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 Event of Suspension is that 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 this Agreement.

4.02. The Additional Event of Acceleration is that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS

5.01. The following is specified as the Additional Legal Matter, within the meaning of Section 9.02(b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely, that the Guarantee Agreement has been duly authorized by the Guarantor, and is legally binding upon the Guarantor in accordance with its terms.

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 Nouira
1001 Tunis
Republic of Tunisia

Cable address
ONAS
Facsimile:
216 71350411
Tunis
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: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

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

OFFICE NATIONAL DE L’ASSAINISSEMENT

By /s/ Mohamed Nejib Hachana
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Theodore O. Ahlers
Authorized Representative
SCHEDULE I

Project Description

The objectives of the Project are to assist the Borrower in: (i) improving the quality of sanitation services in Greater Tunis; (ii) promoting the reuse of treated wastewater in irrigation on a sustainable basis and in significant quantities; and (iii) enhancing its performance through financial and operational management capacity building.

The Project consists of the following parts:

Part A: Sewage Works in Great Tunis

Carrying out a sewerage program to: facilitate the transfer and treatment of sewage for about 750,000 people; extend the sewerage networks in Sidid Hassine and El Agba; and provide for a sustainable water reuse system; including:

1. the construction of about 60,000 m³ per day capacity sewage treatment plant in El Attar;
2. the construction of mains and water pumping stations system to transfer raw sewage to the treatment plant in El Attar;
3. construction of mains network to transfer treated sewage to Oued Meliane with valves for connection to irrigation basins;
4. the establishment of a sludge disposal facility at the treatment plant in El Attar; and
5. construction supervision through the provision of technical assistance.

Part B: Institution Building

Enhancing the Borrower’s financial and operational management capacity, through the provision of technical assistance and training for:

1. the carrying out of the EMP;
2. the preparation of strategic economic and institutional studies for sanitation for about 100 small towns consisting of less than 10,000 inhabitants; and
3. the optimizing of arrears recovery and revenue enhancing programs through the establishment of a customers’ management system.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

Environmental and social safeguard measures

1. In carrying out Part A of the Project, the Borrower shall ensure that:

   (a) (i) all works and land acquisition activities are carried out in accordance with the Environmental Assessment, the EMP or the LAP, as the case may be, in a manner and substance satisfactory to the Bank; and

   (ii) the Environmental Assessment, the EMP and the LAP shall not be amended, revised, or abrogated without the prior approval of the Bank;

   (b) (i) prior to the carrying out of any Project activities not identified, assessed, nor included in the Environmental Assessment or the EMP, such activities shall be subject to an environmental assessment, under terms of reference and in form and substance satisfactory to the Bank; and

   (ii) all land acquisition activities under the Project not identified, assessed, nor included in the LAP shall be subject to an environmental and social assessment under terms of reference and in form and substance satisfactory to the Bank.

2. The Borrower shall: (a) not later than March 31, 2007, revise, in a manner satisfactory to the Bank, the Environmental Assessment, to include the sludge disposal facility under Part A.4 of the Project; and (b) not later than June 30, 2008, secure a construction site and financing for a sludge disposal facility in Greater Tunis, in accordance with the Environmental Assessment as revised per the preceding sub-paragraph (a).

Section II. Project Monitoring, Reporting, 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. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim un-audited 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. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited 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 Schedule.

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 Schedule.

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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding of the Borrower may be used for procurement of goods and works for the Project, provided that the following provisions are complied with:</td>
</tr>
<tr>
<td>(i) The bid document clearly explains the bid evaluation, award criteria and bidder qualification criteria;</td>
</tr>
<tr>
<td>(ii) Technical, administrative and financial envelopes are publicly and simultaneously opened;</td>
</tr>
<tr>
<td>(iii) Bids shall be evaluated on price and any other criteria disclosed in the bid documents and quantified in monetary terms and contracts are awarded to the qualified bidder with the lowest evaluated responsive bid;</td>
</tr>
<tr>
<td>(iv) 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;</td>
</tr>
<tr>
<td>(v) Tenders will be advertised with no less than four (4) weeks notice for bid submission;</td>
</tr>
<tr>
<td>(vi) Bidders will be allowed to deliver their bid by hand or by mail before the expiration of the deadline for submitting bids;</td>
</tr>
<tr>
<td>(vii) If foreign firms wish to participate, they shall be allowed to do so and no provision for preferential treatment for national companies or mandatory association between foreign and national firms shall apply;</td>
</tr>
<tr>
<td>(viii) The procedures shall include publication of evaluation results and the award of contract and provisions for bidders to protest; and</td>
</tr>
<tr>
<td>(ix) The bid document shall specify that the mention of the bidder’s name on the envelope shall constitute a reason for rejecting the bid</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection Based on Consultants’ Qualification</td>
</tr>
<tr>
<td>(b) Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Bank: (a) each contract for goods estimated to cost the equivalent of $5,000,000 or more procured on the basis of International Competitive Bidding; (b) each contract for works estimated to cost the equivalent of $2,500,000 or more procured on the basis of International Competitive Bidding; (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; and (d) each contract for individual consultants’ services estimated to cost the equivalent of $50,000 or more. 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 this Section and such additional instructions as the Bank shall specify by notice to the Borrower 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.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Euros)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>33,300,000</td>
<td>90%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>12,500,000</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for items procured locally</td>
</tr>
<tr>
<td>(3) Consultant’s services</td>
<td>2,233,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>134,750</td>
<td>Amount payable pursuant to Section 2.04 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>Amount due under Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>5,732,250</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>53,900,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**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, 2011.

**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, 2006, a ratio of total operating expenses to total operating revenues not higher than 88.3%;
December 31, 2007, a ratio of total operating expenses to total operating revenues not higher than 82.1%; December 31, 2008, a ratio of total operating expenses to total operating revenues not higher than 81.1%; December 31, 2009, a ratio of total operating expenses to total operating revenues not higher than 80.4%; December 31, 2010, a ratio of total operating expenses to total operating revenues not higher than 80.6%; and December 31, 2011, a ratio of total operating expenses to total operating revenues not higher than 76.4%.

(b) Before November 30, 2006, in each of its fiscal years, 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 provision for depreciation on a straight-line basis at a rate of not less than 2.5% per annum of the average current gross value of the Borrower's fixed assets in operation, or other basis acceptable to the Bank, and excluding interest and other charges on debt.

(ii) The term “total operating revenues” means revenues from all sources related to operations.

(iii) The average current gross value of the Borrower’s fixed assets in operation shall be calculated as one half of the sum of the gross value of the Borrower's fixed assets in operation at the beginning and at the end of the fiscal year, as valued from time to time in accordance with sound and consistently maintained methods of valuation satisfactory to the Bank.

2. (a) Except as the Bank shall otherwise agree, the Borrower shall: by December 31, 2006, maintain a ratio of current assets to current liabilities of not less than 0.93; by December 31, 2007, maintain a ratio of current assets to current liabilities of not less than 0.95; by December 31, 2008, maintain a ratio of current assets to current liabilities of not less than 0.96; by December 31, 2009, maintain a ratio of current assets
to current liabilities of not less than 0.95; by December 31, 2010, maintain a ratio of current assets to current liabilities of not less than 1.00; and by December 31, 2011, maintain a ratio of current assets to current liabilities of not less than 1.00.

(b) Before November 30, 2006, and for each of its fiscal years, 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.

3. Except as the Bank shall otherwise agree, the Borrower shall reduce its accounts receivable for sewerage services so that, commencing on December 31, 2006, such accounts receivable shall not exceed: one hundred and eighty (180) days for
December 31, 2006; one hundred and sixty (160) days for December 31, 2007; one hundred and forty (140) days for December 31, 2008; one hundred and thirty (130) days for December 31, 2009; one hundred and twenty (120) days for December 31, 2010; and one hundred and twenty (120) days for December 31, 2011, billed by the Borrower during months immediately preceding the date on which such calculation is made.
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 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) Withdrawn Loan Balance as of the first Principal Payment Date; and (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15 beginning September 15, 2011, through September 15, 2022</td>
<td>4.17%</td>
</tr>
<tr>
<td>On March 15, 2023</td>
<td>4.09%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not 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 have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn 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 is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable 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) Amounts of the Loan withdrawn 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, if at any time the Bank adopts 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 Loan Balance 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, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Definitions

1. “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.

2. “Category” means a category set forth in the table in Section IV of Schedule 4 to this Agreement.


4. “EMP” means the Environmental Management Plan dated May 26, 2006, duly adopted by the Borrower, included in the Environmental Assessment, 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.

5. “Environmental Assessment” means the environmental assessment, acceptable to the Bank, prepared by the Borrower, dated May 26, 2006, evaluating the environmental impact of the Project and setting forth, through the EMP, the mitigating, compensating and monitoring measures for the Project, said Assessment to be revised by the Borrower in accordance with paragraph 2(a), Section I of Schedule 2 to this Agreement, as the same may be amended from time to time by agreement between the Borrower and the Bank.


7. “Greater Tunis Region” means the territory of the Guarantor that includes the Governorates of Tunis, Ariana, Ben Arous and La Manouba.

8. “Guarantor” means the Republic of Tunisia.

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. “LAP” means the Land Acquisition Plan dated May 26, 2006, 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, referred to in paragraph 1, Section I of Schedule 2 to this Agreement, as such Plan may be amended from time to time with the prior approval of the Bank.


12. “Procurement Plan” means the Borrower’s procurement plan for the Project dated May 31, 2006, 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.