H. E. Riadh Bettaieb  
Minister of Investment and International Cooperation  
Ministry of Investment and International Cooperation  
Place Ali Zouaoui  
1000 Tunis  
Republic of Tunisia  

Re: Loan No. 7432 - TUN  
(Sustainable Municipal Solid Waste Management Project)  
Amendment to the Loan Agreement and Revised Performance Indicators  

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 March 22, 2007 (the Loan Agreement). We also refer to your letters dated February 25, 2012 and June 13, 2012 requesting amendment to 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. Part 1 (b) (i) of Schedule 1 to the Loan Agreement is hereby amended to read as follows:

"(i) conducting an independent strategic review of the national solid waste management program, to evaluate its economic, environmental and social performances at the national and local levels."

2. Part 2 (b) of Schedule 1 to the Loan Agreement is hereby amended as follows:

"(b) Designing, building and operating a system of gas collection and flaring of the biogas for the Djebel Chekir landfill, and the first cell of each of the seven (7) new landfills in Bizerte, Sousse, Monastir, Sfax, Gabes, Jerba, and Medenine, all in accordance with international standards and norms."

3. Section III, paragraph D of Schedule 2 to the Loan Agreement is amended to read as follows:

"D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank."

4. The table in Section IV. A.2 of Schedule 2 to the Loan Agreement is amended to read as follows:

"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 Euro)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works</td>
<td>16,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants' Services</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>50,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>16,800,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this Section, the term “Training” means the expenditures incurred in connection with organizing, conducting or participating at training events such as workshops, seminars, conferences, and study tours.”

5. Section IV. B. 2 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

   “2. The Closing Date is June 30, 2014.”

6. The Performance Monitoring Indicators referred to in Section II. A. of Schedule 2 to the Loan Agreement are set forth in the attached Supplemental Letter No. 2 to this Amendment. Such indicators shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives are amended as set forth in the attachment hereto.

   All the terms and conditions of the Loan Agreement that have not been hereby amended shall remain in full force and effect.
Please confirm your agreement with the foregoing amendments by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to us. Upon receipt by the Bank of the copy of this Amendment Letter countersigned by you, this Amendment Letter shall become effective as of the date of your countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

__________________________
Simon Gray
Country Director
Middle East and North Africa Region

CONFIRMED AND AGREED:

REPUBLIC OF TUNISIA

Minister of Investment
and International Cooperation

By: ____________________________________________
Rahhab BETLAIRED
Representative

Date: 28 JUIN 2012

Attachment