Loan Agreement

(Additional Loan for the Micro, Small and Medium Enterprise Development Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated 22 May, 2014
LOAN AGREEMENT

AGREEMENT dated 22 May 2014, between REPUBLIC OF TUNISIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 this 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 seventy-two million six hundred thousand Euro, (EUR 72,600,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("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 Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; 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. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are January 15 and July 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
2.07. (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: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference 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 or the Reference 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.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause Parts I.1 and I.2 of the Project to be carried out by CBT, and Part II of the Project to be carried out by CDC, in accordance with the provisions of Article V of the General Conditions and the Project Agreements.

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 consists of the following, namely that the Project Implementing Entities’ Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entities to perform any of their obligations under the Project Agreements.

4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Execution Agreement has been executed on behalf of the Borrower and CBT.
(b) The Execution and Subsidiary Loan Agreement has been executed on behalf of the Borrower and CDC.

5.02. The Additional Legal Matters consists of the following.

(a) The Execution Agreement has been duly authorized or ratified by the Borrower and CBT and is legally binding upon the Borrower and CBT in accordance with its terms.

(b) The Execution and Subsidiary Loan Agreement has been duly authorized or ratified by the Borrower and CDC and is legally binding upon the Borrower and CDC in accordance with its terms.

5.03. 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 Minister of Economy and Finance.

6.02. The Borrower’s Address is:

Ministry of Economy and Finance
State Secretariat for Development and International Cooperation
Place Ali Zouaoui
1069, Tunis
Republic of Tunisia

Facsimile:
216-71-351-666/ 216-71-799-069

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 Tunis, Tunisia, as of the day and year first above written.

REPUBLIC OF TUNISIA

By

Authorized Representative

Name: Hakim Ben Hammouda
Title: Minister of Economy and Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: [Signature]
Title: [Signature]
SCHEDULE 1

Project Description

The objective of the Project is to improve access to finance for micro, small and medium enterprises in the Republic of Tunisia, including through enabling previously creditworthy micro, small and medium enterprises to maintain access to credit.

The Project consists of the following parts:

I. Lines of Credit

1. Establishment and operation of lines of credit by CBT for the purposes of providing PFI Loans to PFIIs for on-lending as Sub-loans to Eligible MSMEs for the carrying out of Sub-projects.

2. Establishment and operation of lines of credit by CBT for the purposes of providing PMFI Loans to PMFIIs for on-lending as Sub-loans to Eligible MEs for the carrying out of Sub-projects.

II. Patient Financing

Provision of Patient Financing by CDC to Eligible SMEs for the carrying out of Sub-projects.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall: (i) cause CBT to carry out Part I.1 of the Project through the DPE, with the support of the DGSB, and Part I.2 of the Project through the DPE with the support of MFRA for the selection of the PMFIs, in accordance with the Project Operations Manual, the CBT Project Agreement, the Execution Agreement, and the ESMS, and shall ensure that CBT does not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual, CBT Project Agreement, Execution Agreement and ESMS, without prior approval of the Bank; and (ii) cause CDC to carry out Part II of the Project in accordance with the Project Operations Manual, the CDC Project Agreement, the Execution and Subsidiary Loan Agreement and the ESMS, and shall ensure that CDC does not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual, CDC Project Agreement, Execution and Subsidiary Loan Agreement and ESMS, without prior approval of the Bank.

2. The Borrower shall cause MFRA to provide CBT with the support referred to in paragraph 1 above, and to this end, shall ensure that MFRA is maintained through the implementation of the Project, in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank.

B. CBT Execution Agreement and CDC Execution and Subsidiary Loan Agreement

1. To facilitate the carrying out of Part I of the Project, the Borrower shall enter into an execution agreement with CBT, under terms and conditions approved by the Bank, for the implementation of Part I of the Project by CBT (“Execution Agreement”).

2. To facilitate the carrying out of Part II of the Project and to make part of the proceeds of the Loan available to CDC as a loan, the Borrower shall enter into an execution and subsidiary loan agreement with CDC, under terms and conditions approved by the Bank, for the implementation of Part II of the Project by CDC (“Execution and Subsidiary Loan Agreement”).

3. The Borrower shall exercise its rights under the Execution Agreement and the Execution and Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Execution Agreement and the Execution and Subsidiary Loan Agreement or any of their provisions.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
D. Selection of PFIs, PMFIs and Eligible SMEs

1. The Borrower shall cause CBT to select PFIs, and PMFIs with the support of MFRA, in accordance with the procedures set forth in the CBT Project Agreement and the Project Operations Manual.

2. The Borrower shall cause CDC to select Eligible SMEs and Venture Capital Partners in accordance with the procedures set forth in the CDC Project Agreement and the Project Operations Manual.

E. PFI Loans

1. The Borrower shall ensure that no PFI shall receive PFI Loans for an aggregate amount greater than 20,000,000 Tunisian Dinars during the first twelve (12) months after the Effective Date.

2. The Borrower shall enter into a PFI Agreement with each PFI on the terms and conditions set forth in the Project Operations Manual and eligibility criteria and procedures acceptable to the Bank, and cause CBT to monitor compliance by each PFI with the terms and conditions of each PFI Agreement. The Borrower shall exercise its rights under each PFI Agreement in such manner as to protect the interests of the Borrower, the Bank and CBT and to accomplish the purposes of the Loan.

3. Each PFI Agreement shall be entered into on terms and conditions approved by the Bank which shall include the following:

   (a) The PFI Loan shall be: (i) denominated and repayable in Tunisian Dinar; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at: (a) a variable rate equal to the average inter-bank money market rate (taux moyen du marché monétaire) as published by CBT for the month preceding the disbursement of the PFI Loan and a fee of 1.75 percent (1.75%) on the amount disbursed under the PFI Loan; or (b) a fixed rate equal to the most recent weighted average rate of the 10-year Government bonds (taux moyen pondéré des bons du Trésor assimilables) as published by CMF and a fee of 1.25 percent (1.25%) on the amount disbursed under the PFI Loan; and (iii) repayable over a period not exceeding twelve (12) years from the date of disbursement of the PFI Loan, inclusive of a grace period not exceeding three (3) years.

   (b) The Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the right to: (i) suspend or terminate the right of the PFI to use the proceeds of the PFI Loan, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the PFI Loan then withdrawn, upon the PFI's failure to perform any of its obligations under the PFI Loan Agreement; and (ii) require each PFI to: (A) carry out its PFI Loans with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower; (B) provide, promptly as needed, the resources required for the
purpose; (C) cause the Eligible MSMEs to procure the goods, works and services to be financed out of the Sub-loans in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower, the Bank and CBT; (F) enable the Borrower, the Bank and CBT to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Borrower, the Bank and CBT all such information as the Borrower or the Bank or CBT shall reasonably request relating to the foregoing.

(c) Each PFI shall enter into Sub-loan Agreements with Eligible MSMEs in accordance with the provisions set forth in Section 1.D.3 of the Schedule to the CBT Project Agreement.

4. The Borrower shall exercise its rights under each PFI Agreement in such manner as to protect the interests of the Borrower, the Bank and CBT and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any PFI Agreement or any of its provisions.

F. **PMFI Loans**

1. The Borrower shall ensure that no PMFI shall receive PMFI Loans for an aggregate amount greater than 12,500,000 Tunisian Dinars during the first twelve (12) months after the Effective Date.

2. The Borrower shall enter into a PMFI Agreement with each PMFI on the terms and conditions set forth in the Project Operations Manual and eligibility criteria and procedures acceptable to the Bank, and cause CBT to monitor compliance by each PMFI with the terms and conditions of each PMFI Agreement. The Borrower shall exercise its rights under each PMFI Agreement in such manner as to protect the interests of the Borrower, the Bank and CBT and to accomplish the purposes of the Loan.

3. Each PMFI Agreement shall be entered into on terms and conditions approved by the Bank which shall include the following:

(a) The PMFI Loan shall be: (i) denominated and repayable in Tunisian Dinar; (ii) charged interest on the principal amount withdrawn and outstanding from time to time at: (a) a variable rate equal to the average inter-bank money market rate (taux moyen du marché monétaire) as published by CBT for the month preceding the disbursement of the PFI Loan and a fee of 3.50 percent (3.50%) on the amount disbursed under the PMFI Loan; or (b) a fixed rate equal to the most recent weighted average rate of the 10-year Government bonds (taux moyen
(b) The Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the right to: (i) suspend or terminate the right of the PMFI to use the proceeds of the PMFI Loan, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the PMFI Loan then withdrawn, upon the PMFI’s failure to perform any of its obligations under the PMFI Agreement; and (ii) require each PMFI to: (A) carry out its PMFI Loans with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower; (B) provide, promptly as needed, the resources required for the purpose; (C) cause the Eligible MEs to procure the goods, works and services to be financed out of the Sub-loans in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower, the Bank, CBT and MFRA; (F) enable the Borrower, the Bank, CBT and MFRA to inspect the Sub-project, its operation and any relevant records and documents; and (G) prepare and furnish to the Borrower, the Bank, CBT and MFRA all such information as the Borrower, the Bank, CBT or MFRA shall reasonably request relating to the foregoing.

(c) Each PMFI shall enter into Sub-loan Agreements with Eligible MEs in accordance with the provisions set forth in Section 1.F.2 of the Schedule to the CBT Project Agreement.

4. The Borrower shall exercise its rights under each PMFI Agreement in such manner as to protect the interests of the Borrower, the Bank and CBT and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any PMFI Agreement or any of its provisions.

G. Sub-Loans

The Borrower shall cause CBT to ensure that PFI s and PMFI s make Sub-loans in accordance with Sub-loan Agreements, and the procedures set forth in the CBT Project Agreement and the Project Operations Manual.
H. Patient Financing

The Borrower shall cause CDC to enter into a Patient Financing Agreement with each Eligible SME on the terms and conditions set forth in the CDC Project Agreement and the Project Operations Manual, and eligibility criteria and procedures acceptable to the Bank, and cause CDC to monitor compliance by each Eligible SME with the terms and conditions of each Patient Financing Agreement. The Borrower shall cause CDC to exercise its rights under each Patient Financing Agreement in such manner as to protect the interests of the Borrower, the Bank and CDC and to accomplish the purposes of the Loan.

I. Safeguards

The Borrower shall cause CBT and CDC to ensure screening and carrying out of the Sub-projects in accordance with the ESMS and to ensure preparation of site-specific environmental assessments and environmental management plans for Sub-projects in accordance with the CBT Project Agreement and the CDC Project Agreement, respectively.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Borrower, through the Project Implementing Entities, 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 acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall ensure that the Project Implementing Entity maintains or causes 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 cause each of the Project Implementing Entity to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited 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 months after the end of such period.
4. The Borrower shall cause each PFI and each PMFI to maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the PFI or the PMFI, as the case may be, including the operations, resources and expenditures related to the Project.

5. The Borrower shall cause each PFI and each PMFI to have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the PFI or the PMFI, as the case may be. The PFI or the PMFI, as the case may be, shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

6. The Borrower shall cause each PFI and each PMFI to prepare and furnish to the relevant Project Implementing Entity and the Bank not later than thirty (30) days after the end of each calendar semester, interim unaudited financial reports for all Sub-projects, Sub-loans or Patient Financings which are part of its portfolio, covering the semester, in form and substance satisfactory to the Bank, for incorporation in the interim unaudited financial reports for the Project referred to in paragraph 2 above.

C. Special Report

The Borrower shall cause each PFI, each PMFI and CDC to have their independent auditors referred to in Section II.B.5 of this Schedule prepare and furnish to CBT and the Bank, with respect to PFIs and PMFIs, or to the Bank, with respect to CDC, not later than thirty (30) days after the end of each calendar semester, a report, covering the semester, in form and substance satisfactory to the Bank, (i) regarding the compliance with the provisions of Section I.D.1 (with respect to PFIs and PMFIs) and Section I.D.2 (with respect to CDC) of this Schedule 2 and of the Project Operations Manual; (ii) setting forth the number and amounts of Sub-loans or Patient Financings granted; and (iii) regarding the compliance with the ESMS and indicating the status of required environmental clearances to be obtained, as the case may be, from the ANPE in relation with any Sub-project.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting 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 Section I of the Procurement Guidelines, and with the provisions of this Section.

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 Section.
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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following method, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services: Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Bank in accordance with paragraph 3.13 of the Procurement Guidelines, as set forth in the Project Operations Manual. The Project Operations Manual shall specify the circumstances under which such method may be used.

**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 method, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts: Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Bank in accordance with paragraph 3.13 of the Consultant Guidelines, as set forth in the Project Operations Manual. The Project Operations Manual shall specify the circumstances under which such method may be used.

**D. Review by the Bank of Procurement Decisions**

All 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 Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), 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 Euro)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-loans for Sub-projects under Part I.1 of the Project</td>
<td>43,318,500</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(2) Sub-loans for Sub-projects under Part I.2 of the Project</td>
<td>18,200,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Patient Financings for Sub-projects under Part II of the Project</td>
<td>10,900,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>181,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>72,600,000</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:

(a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed 14,520,000 Euro may be made for payments made prior to this date but on or after January 1, 2014, for Eligible Expenditures under Categories (1) and (3); or

(b) under Category (2), unless: (i) at least two PMFs have met the selection criteria set forth in Section I.E(a) of the Schedule to the CBT Project Agreement and in the Project Operations Manual; and (ii) CBT shall have entered into an agreement with MFRA providing that MPFs shall have access to the Credit Registry, under terms and conditions satisfactory to the Bank.

2. The Closing Date is January 31, 2018.
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; by (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 January 15 and July 15</td>
<td></td>
</tr>
<tr>
<td>Beginning July 15, 2020</td>
<td></td>
</tr>
<tr>
<td>through July 15, 2028</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.56%</td>
</tr>
<tr>
<td>On January 15, 2029</td>
<td>5.48%</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. "ANPE" means Agence Nationale de Protection de l'Environnement, the National Environmental Protection Agency established and operating pursuant to the Borrower's Law Number 88-91 of August 2, 1988, as amended pursuant to the Borrower's Law 92-115 of November 30, 1992.


3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. "CBT" means the Central Bank of Tunisia, established and operating under the CBT Legislation


6. "CBT Project Agreement" means the agreement of same date between the Bank and CBT regarding the implementation of Part I of the Project by CBT.

7. "CDC" means Caisse des Dépôts et des Consignations, the Borrower's Sovereign Fund for Economic Development, established and operating under the CDC Legislation.

8. "CDC Legislation" means the Borrower's Law Number 2011-85 of September 13, 2011 pursuant to which CDC is established and operating.

9. "CDC Project Agreement" means the agreement of same date between the Bank and CDC regarding the implementation of Part II of the Project.


12. "Convertible Bonds" means bonds whose holder has the option to convert into common stock shares in the issuing company.

13. "Credit Registry" means a database hosted and managed by CBT, that collects information on the creditworthiness of borrowers (individual or firms) and facilitates the exchange of credit information among banks and other regulated financial institutions.

14. "DPE" means Direction des Paiements Extérieurs, CBT's External Resources Department or any successor thereto.
15. "DGSB" means Direction Générale de la Supervision Bancaire, CBT’s Bank Supervision Department or any successor thereto.

16. "Eligible MEs" means micro-entrepreneurs as defined in the Borrower’s laws and regulations, established and operating within the territory of the Borrower, which meet the eligibility criteria outlined in Section I.F.1 (a) of the Schedule of the CBT Project Agreement, as further set forth in the Project Operations Manual.

17. "Eligible MSMEs" means micro, small and medium enterprises as defined in the Borrower’s laws and regulations, established and operating within the territory of the Borrower, which meet the eligibility criteria outlined in Section I.D.1 (a) of the Schedule of the CBT Project Agreement, as further set forth in the Project Operations Manual.

18. "Eligible SMEs" means small and medium enterprises as defined in the Borrower’s laws and regulations, established and operating within the territory of the Borrower, which meet the eligibility criteria outlined in Section I.D (a) of the Schedule of the CDC Project Agreement, as further set forth in the Project Operations Manual.

19. “ESMS” means Environmental and Social Management System, the framework document prepared for the Project, dated February 25, 2014, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the Bank, and setting forth policies and procedures for environmental screening, for conducting site-specific environmental assessments and environmental management plans for Sub-projects, and specifying requirements for environmental mitigation measures.

20. “Execution Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement regarding the implementation of Part 1 of the Project by CBT.

21. “Execution and Subsidiary Loan Agreement” means the agreement referred to in Section I.B.2 of Schedule 2 to this Agreement regarding the implementation of Part 2 of the Project by CDC, and pursuant to which the Borrower shall make part of the proceeds of the Loan available to CDC.


23. “MFRA” means the Micro Finance Regulatory Agency (Autorité de Contrôle de la Microfinance) of the Borrower, established and operating pursuant to the Borrower’s Law Number 2011-117 of November 5, 2011.


25. “Original Project” means the Project described in the Original Loan Agreement.
26. “Participating Financial Institution” or “PFI” means a regulated financial institution established and operating within the territory of the Borrower, which meets the eligibility criteria outlined in Section I.C (a) of the Schedule of the CBT Project Agreement, as further set forth in the Project Operations Manual.

27. “Participating Micro Finance Institution” or “PMFI” means a regulated micro finance institution established and operating within the territory of the Borrower, which meets the eligibility criteria outlined in Section I.E (a) of the Schedule of the CBT Project Agreement, as further set forth in the Project Operations Manual.

28. “Patient Financing” means a long term financing granted or proposed to be granted, pursuant to the provisions of a Patient Financing Agreement and in accordance with the criteria and procedures set forth in the CDC Project Agreement and the Project Operations Manual, by CDC to an Eligible SME out of the proceeds of the Loan through the acquisition of Convertible Bonds issued or to be issued by the Eligible SME, for the purpose of financing a Sub-project or refinancing the Pre-Existing Loan financing a Sub-project.

29. “Patient Financing Agreement” means an agreement entered into between CDC and an Eligible SME, on the terms and conditions set forth in the CDC Project Agreement and the Project Operations Manual, for the purpose of financing a Patient Financing.

30. “PFI Agreement” means an agreement entered into between the Borrower and a PFI on the terms and conditions set forth in the Project Operations Manual for the purpose of financing a PFI Loan.

31. “PFI Loan” means a loan made, in accordance with criteria set forth in the Project Operations Manual, by the Borrower to a PFI out of the proceeds of the Loan for the purpose of on-lending as Sub-loans to Eligible MSMEs.

32. “PMFI Agreement” means an agreement entered into between the Borrower and a PMFI on the terms and conditions set forth in the Project Operations Manual for the purpose of financing a PMFI Loan.

33. “PMFI Loan” means a loan made, in accordance with criteria set forth in the Project Operations Manual, by the Borrower to a PMFI out of the proceeds of the Loan for the purpose of on-lending as Sub-loans to Eligible MEs.

34. “Pre-Existing Loan” means a loan made by a regulated financial institution established and operating within the territory of the Borrower, to an Eligible MSME or to an Eligible ME for the purpose of financing a Sub-project.


36. “Project Implementing Entities” means, collectively, CBT and CDC, and “Project Implementing Entity” means any one of the Project Implementing Entities.
37. "Project Implementing Entities’ Legislation" means the CBT Legislation and the CDC Legislation.

38. "Project Operations Manual" means the operations manual adopted by the Project Implementing Entities and the Borrower, and referred to in Section I.A. of Schedule 2 to this Agreement, satisfactory to the Bank, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement and the Project Agreements and with applicable laws and regulations and including, among other things, the fiduciary, technical and operational aspects and procedures for implementation of the Project, including the financial management procedures (budgeting, accounting and internal control, disbursement and flow of funds, financial reporting, annual reports, internal and external audit arrangements procedures and including the Project specific chart of accounts), procurement procedures, monitoring and evaluation arrangements, other fiduciary and administrative arrangements, the selection methods and eligibility criteria for PFIs, PMFIs, Eligible MSMEs, Eligible MEs, Eligible SMEs, Pre-Existing loans, and procedures, transaction, control, and clearance processes and the implementation mechanisms and necessary terms of reference for PFI Loans, PMFI Loans, Patient Financings, Sub-loans and Sub-projects, and templates of PFI Agreements, PMFI Agreements, Patient Financing Agreements, and Sub-loan Agreements, as the same may be amended from time to time by agreement with the Bank.

39. "Sub-loan" means a loan made or proposed to be made, pursuant to the provisions of a Sub-loan Agreement and in accordance with the criteria and procedures set forth in the CBT Project Agreement and the Project Operations Manual, by a PFI to an Eligible MSME out of the proceeds of a PFI Loan or by a PMFI to an Eligible ME out of the proceeds of a PMFI Loan, for the purpose of financing a Sub-project or refinancing the Pre-Existing Loan financing a Sub-project.

40. "Sub-loan Agreement" means an agreement entered into between a PFI and an Eligible MSME or by a PMFI and an Eligible ME, on the terms and conditions set forth in the CBT Project Agreement and the Project Operations Manual for the purpose of financing a Sub-loan.

41. "Sub-project" means economic activities carried out by (i) an Eligible MSME or an Eligible ME selected as eligible to be funded from a Sub-loan in accordance with criteria set forth in the Project Operations Manual; or (ii) an Eligible SME selected as eligible to be funded from a Patient Financing in accordance with criteria set forth in the Project Operations Manual.

42. "Tunisian Dinar" means the Borrower’s currency.

43. "Venture Capital Partner" means an equity investor established and operating within the territory of the Borrower, which meets the eligibility criteria outlined in Section I.C (a) of the Schedule of the CDC Project Agreement, as further set forth in the Project Operations Manual.

44. "Venture Capital Agreement" means an agreement entered into between a Venture Capital Partner and an Eligible SME, on the terms and conditions set forth in the CDC Project Agreement and the Project Operations Manual, for the purpose of financing a
Sub-project through the provision of equity to the Eligible SME by the Venture Capital Partner.