

LOAN NUMBER 8519-TN

Loan Agreement

(Road Transport Corridors Project)

between

REPUBLIC OF TUNISIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated October 2, 2015

LOAN AGREEMENT

AGREEMENT dated October 2, 2015, between REPUBLIC OF TUNISIA (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“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 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 one hundred seventy-eight million seven hundred thousand Euros, (€178,700,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 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 Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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.
- 2.06. The Payment Dates are January 15 and July 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: (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 Spread to 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 carry out the Project through the MEHLP 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely the Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been satisfied or waived.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Minister of Development, Investment and International Cooperation.
- 5.02. The Borrower's Address is:

Ministry of Development, Investment and International Cooperation
Place Pasteur
1002 Tunis
Republic of Tunisia

Facsimile:

216 71 799 069

5.03. The Bank's Address is:

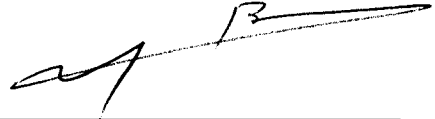
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

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

REPUBLIC OF TUNISIA

By



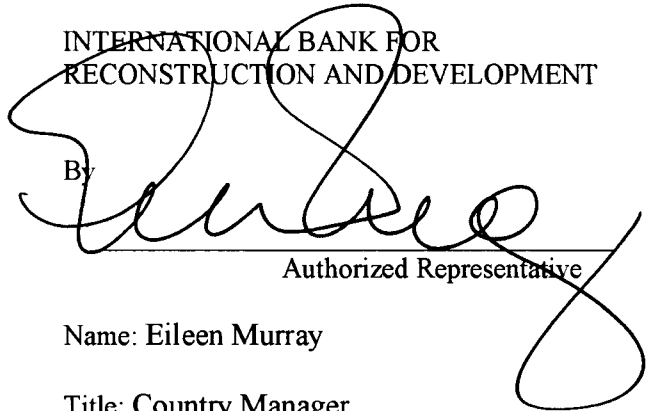
Authorized Representative

Name: Yassine Brahim

Title: Minister of Development, Investment and International Cooperation

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Eileen Murray

Title: Country Manager

SCHEDULE 1

Project Description

The objectives of the Project are: (i) to reduce transportation cost and time and improve road safety on select road corridors between lagging regions and more developed areas in the territory of the Borrower; and (ii) to strengthen the capacity of the MEHLP in road asset management.

The Project consists of the following parts:

Part I: Road Corridor Improvement

1. Widening and upgrading as necessary of about 57 km of National Road 12 between Sousse and Kairouan, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.
2. Widening and upgrading as necessary of about 65 km of National Road 4 between El Fahs and Siliana, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.
3. Widening and upgrading as necessary of about 24 km of Regional Road 133 between Jebel El Oust and Zaghouan, including the upgrading of bridges, the improvement of culverts, intersections, and traffic signs, and the installation of road safety devices.
4. Supervision of the activities to be carried out under Parts I.1, I.2 and I.3 above.

Part II: Road Network Management Improvement

1. Acquisition of: (i) monitoring equipment for the central laboratory of CETEC in Tunis and its regional laboratories at Sousse, Kairouan, Zaghouan and Siliana, in order to improve the management of the national and regional road network; and (ii) vehicles for supervising the civil works on the road network to be carried out under Part I above.
2. Strengthening the technical capacities of selected staff at MEHLP regarding: (i) the design and implementation of decision-making tools to better plan road maintenance and road public expenditure, including in the lagging regions; and (ii) the review of the role of public and private sectors in the management of the road sector, including the use of performance-based contracts for rehabilitation and maintenance of roads; and strengthening the technical capacities of selected staff at MEHLP, other relevant Ministries and public entities and relevant private sector entities regarding modern road asset management and performance-based contracts for road maintenance; all through the provision of technical advisory services and training, the carrying out of studies, and the acquisition of computer equipment and software.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through the MEHLP, shall ensure that the Project is implemented by the DGPC with the assistance of the Project Implementation Unit. The Borrower, through the MEHLP, shall, throughout the implementation of the Project, ensure that the DGPC and the Project Implementation Unit: (i) are at all times maintained with qualified managers and competent staff and adequate resources; and (ii) collaborate closely with all other Ministries or agencies of the Borrower involved in the implantation of the Project, as described in the Project Operations Manual.
2. The Borrower, through the MEHLP, shall implement the Project in accordance with the Project Operations Manual. The Borrower shall not amend, suspend, abrogate, repeal or waive any provision of the Project Operations Manual, without prior written approval of the Bank

B. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

1. The Borrower shall: (i) implement the Project in accordance with the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs, and shall not amend, suspend, abrogate, repeal or waive any provision of the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs, without prior written approval of the Bank and subject to compliance with applicable consultation and public disclosure requirements of the Bank; and (ii) ensure that adequate information on the implementation of the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs is suitably included in the Project Reports referred to in Section II.A of this Schedule, including details of: (a) measures taken in furtherance of the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs; and (c) remedial measures taken or required to be taken to address such conditions.
2. The Borrower shall ensure that all measures identified and described in the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs are taken in a timely manner.
3. The Borrower shall:
 - (a) prior to commencing civil works for any activity under the Project and when required under the ESMPs and the RAPs, carry out specific public consultation in form and in substance satisfactory to the Bank;

- (b) prior to commencing civil works for any activity under the Project and when required under the ESMF, prepare, adopt and disclose appropriate ESMP or ESMPs in accordance with such ESMF, such ESMP or ESMPs to be in form and substance satisfactory to the Bank; and
 - (c) ensure that all the works regarding the relevant roads are consistent with the provisions of the ESMF and thereafter implement the applicable ESMPs.
- 4. Prior to commencement of civil works for any activity of the Project involving involuntary resettlement or involuntary acquisition of land, the Borrower shall prepare, adopt, disclose and implement appropriate RAP or RAPs, as the case may be, for compensation, or resettlement, in accordance with the RPF, such RAP or RAPs to be in form and substance satisfactory to the Bank.
- 5. In the event that any provision of the ESIA's, the ESMF, the ESMPs, the RPF and the RAPs shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.
- 6. The Borrower shall implement the Action Plan and any additional measures agreed with the Bank pursuant to the Action Plan, in a manner satisfactory to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

- 1. 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 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.
- 2. Notwithstanding the provisions of paragraph A.1 of this Section II, the Borrower shall:
 - (a) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about September 30, 2017, or such later date as the Bank shall request, a mid-term report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph A.1 above, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
 - (b) review with the Bank, by December 31, 2017, or such later date as the Bank shall request, the report referred to in clause (a) of this paragraph A.2, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

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. The Borrower shall 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 (6) months after the end of such period.

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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:
 - (a) National Competitive Bidding , subject to the following additional provisions:

- (i) The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for reasons other than those provided in Section I of the Procurement Guidelines.
 - (ii) No foreign bidder shall be required to submit a bid in association with domestic firms as a condition for bidding.
 - (iii) The bidding documents shall clearly set out the bid evaluation process, the award criteria and the bidders' qualification criteria.
 - (iv) Bidding opportunities shall be advertised with not less than thirty (30) days for bid preparation.
 - (v) Technical and financial bids are always publicly and simultaneously opened, and such public bid opening shall take place immediately or closely after the deadline for submission of bids. No evaluation of bids shall take place at the bid public opening session.
 - (vi) Prior to issuing the first call for bids, a draft standard bidding document to be used under National Competitive Bidding must be submitted to, and found acceptable by the Bank.
 - (vii) The procedures shall include publication of evaluation results and of the details of the contract awarded.
 - (viii) Bids shall be evaluated based on price and on other criteria disclosed in the bidding documents and quantified in monetary terms, and no domestic preference or any other kind of preferential treatment for national companies or for goods of national origin shall be applied. The verification of the compliance of bids to the technical requirements set forth in the bidding documents shall not be limited to the technical offer of the bidder which has offered the lowest price.
 - (ix) The contract shall be awarded to the qualified bidder having submitted the lowest evaluated responsive bid, and no negotiation shall take place.
 - (x) Each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals which have engaged in fraud and corruption as set forth in the Procurement Guidelines as well as the Bank's right to inspection and audit.
- (b) Shopping.

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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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.

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.

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services for Parts I.1, I.2 and I.3 of the Project	178,253,250	87%
(2) Front-end Fee	446,750	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	178,700,000	

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, 2020.

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.

Principal Payment Date	Installment Share (Expressed as a Percentage)
January 15, 2021	2.50%
July 15, 2021	2.50%
January 15, 2022	0.00%
July 15, 2022	0.00%
January 15, 2023	0.00%
July 15, 2023	0.00%
January 15, 2024	3.00%
July 15, 2024	0.00%
January 15, 2025	0.00%
July 15, 2025	0.00%
January 15, 2026	3.00%
July 15, 2026	4.00%
January 15, 2027	3.00%
July 15, 2027	0.00%
January 15, 2028	0.00%
July 15, 2028	3.00%
January 15, 2029	3.00%
July 15, 2029	3.00%
January 15, 2030	3.00%
July 15, 2030	0.00%
January 15, 2031	3.00%
July 15, 2031	0.00%
January 15, 2032	3.00%
July 15, 2032	3.00%
January 15, 2033	3.00%
July 15, 2033	0.00%
January 15, 2034	0.00%
July 15, 2034	3.00%
January 15, 2035	3.00%
July 15, 2035	0.00%
January 15, 2036	3.00%

July 15, 2036	3.00%
January 15, 2037	3.00%
July 15, 2037	3.00%
January 15, 2038	3.00%
July 15, 2038	2.00%
January 15, 2039	2.00%
July 15, 2039	2.00%
January 15, 2040	2.00%
July 15, 2040	2.00%
January 15, 2041	2.00%
July 15, 2041	2.00%
January 15, 2042	2.00%
July 15, 2042	2.00%
January 15, 2043	2.00%
July 15, 2043	2.00%
January 15, 2044	2.00%
July 15, 2044	2.00%
January 15, 2045	2.00%
July 15, 2045	2.00%
January 15, 2046	1.00%
July 15, 2046	1.00%
January 15, 2047	1.00%
July 15, 2047	1.00%
January 15, 2048	1.00%
July 15, 2048	1.00%
January 15, 2049	1.00%

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

Section I. Definitions

1. "Action Plan" means the action plan dated June 3, 2015, agreed between the Borrower and the Bank which sets forth measures to remedy outstanding compensation issues related to a program of roads work undertaken by the Borrower between 2000 and 2005 on parcels adjacent to the Project area.
2. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "CETEC" means *Centre d'Essai et de Technique de la Construction*, the Borrower's Center for Construction Techniques and Testing established and operating pursuant to the Borrower's Decree No. 91-224 dated February 4, 1991.
5. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
6. "DGPC" means the *Direction Générale des Ponts et Chaussées*, the General Directorate of Roads and Bridges at the MEHLP.
7. "ESIA" means each of: (i) the Environmental and Social Impact Assessment, satisfactory to the Bank and disclosed in the Bank's Infoshop on April 24, 2015, for the activities to be carried out under Part I.1 of the Project regarding National Road 12; (ii) any Environmental Impact Assessment, satisfactory to the Bank, to be prepared and adopted by the MEHLP, and to be disclosed in the Bank's Infoshop, for the activities to be carried out under Part I.2 of the Project regarding National Road 4; and (iii) the Environmental Impact Assessment, satisfactory to the Bank and disclosed in the Bank's Infoshop on April 24, 2015, for the activities to be carried out under Part I.3 of the Project regarding Regional Road 133, each evaluating the environmental impact of Part I.1, Part I.2 and Part I.3 of the Project, respectively, and setting forth, through the ESMPs included therein, the mitigating, compensating and monitoring measures for each such Part of the Project; and referenced collectively as the "ESIAs".
8. "ESMF" means the Environmental and Social Management Framework, satisfactory to the Bank and disclosed in the Bank's Infoshop on February 13, 2015, setting forth procedures for the environmental and social screening of the activities to be carried out under Part I.2 of the Project regarding National Road 4, including the mitigation measures to be prescribed in any ESIA and ESMP to be adopted for Part I.2 of the Project, as well as the specific public consultation measures to be carried out prior to commencing civil works.

9. "ESMP" means each of: (i) the Environment and Social Management Plan for the activities to be carried out under Part I.1 of the Project regarding National Road 12, and disclosed in the Bank's Infoshop on February 13, 2015; (ii) the Environment and Social Management Plan for the activities to be carried out under Part I.3 of the Project regarding Regional Road 133, and disclosed in the Bank's Infoshop on February 13, 2015; and (iii) any Environment and Social Management Plan, satisfactory to the Bank, to be prepared and adopted by the MEHLP, and to be disclosed in the Bank's Infoshop for the activities to be carried out under Part I.2 of the Project regarding National Road 4, in accordance with the terms of the ESMF, each describing the mitigation, monitoring and institutional measures to be implemented in order to eliminate, offset or reduce any adverse environmental and social aspects in respect of the activities for each such Parts of the Project; and referenced collectively as the "ESMPs".
10. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
11. "Grant Agreement" means the agreement between the Borrower and the Bank for Part II.2 of the Project, of the same date as this Agreement, as such agreement may be amended from time to time. "Grant Agreement" includes all appendices, schedules and agreements supplemental to the Grant Agreement.
12. "MEHLP" means the Ministry of Equipment, Habitat and Land Planning of the Borrower, or any successor thereto.
13. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
14. "Procurement Plan" means the Borrower's procurement plan for the Project, dated June 3, 2015, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
15. "Project Implementation Unit" means the unit established by the MEHLP and headed by the Director of the DGPC, pursuant to Decision No. 172/2014 dated December 12, 2014.
16. "Project Operations Manual" means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project, as adopted by the MEHLP on February 18, 2015, and referred to in paragraph 2, Section I.A of Schedule 2 to this Agreement.
17. "RAP" means each of: (i) the Resettlement Action Plan for the activities to be carried out under Part I.1 of the Project regarding National Road 12, and disclosed in the Bank's Infoshop on April 24, 2015; (ii) the Resettlement Action Plan for the activities to be carried out under Part I.3 of the Project and additional activities identified in the Action Plan regarding Regional Road 133, and disclosed in the Bank's Infoshop on April 24, 2015; and (iii) any Resettlement Action Plan, satisfactory to the Bank, to be prepared and adopted by

the MEHLP and to be disclosed in the Bank's Infoshop for the activities to be carried out under Part I.2 of the Project regarding National Road 4, each in accordance with the terms of the RPF, describing the details for land acquisition, resettlement and rehabilitation in respect of the activities for each such Parts of the Project; and referenced collectively as the "RAPs"; and any amendments thereto made with the prior approval of the Bank.

18. "RPF" means the Resettlement Policy Framework satisfactory to the Bank and adopted by the MEHLP on February 5, 2015, and disclosed in the Bank's Infoshop on February 10, 2015, outlining the modalities for land acquisition, resettlement and rehabilitation in respect of the activities to be carried out under Part I.2 of the Project, as well as details for the preparation of the RAPs.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.