Loan Agreement

(COVID-19 Response Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 the amount of eighteen million three hundred thousand Euros (EUR 18,300,000), as such amount may be converted from time-to-time through a Currency Conversion ("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 III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance, provided that the Commitment Charge for the period beginning on the date of accrual of the Commitment Charge and ending on the date of the first anniversary of such date of accrual shall be zero percent (0%).

2.05. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are May 1 and November 1 in each year.

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

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project and the MPA Program. To this end, the Borrower shall, through its Ministry of Health ("MoH"), carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister of Development, Investment and International Cooperation.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:

Ministry of Development, Investment and International Cooperation
Avenue Cheikh Mohamed Fadhel Ben Achour
Immeuble «B4», Tour « A »
Centre Urbain Nord
1082 Tunis; and

(b) the Borrower’s Electronic Address is:

Facsimile:

216 71 799 069

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

Telex: Facsimile:

248423(MCI) or 64145(MCI)
1-202-477-6391
AGREED as of the Signature Date.

REPUBLIC OF MAURITANIA
Ministry of Development, Investment and International Cooperation
By Mohamed Selim Azzabi
Authorized Representative

Name: _______________________
Title: _______________________
Date: 11 MAI 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Antonius Verhagen
Authorized Representative

Name: _______________________
Title: Country Manager
Date: 11 MAI 2020
SCHEDULE 1

Project Description

The objective of the Project is to improve COVID-19 detection and infection control in Tunisia through increasing the availability of COVID-19 equipment and supplies.

The Project constitutes a phase of the MPA Program, and consists of the following components:

Component 1. Emergency COVID-19 Response

Strengthening the Borrower’s capacity to respond to the COVID-19 pandemic through, *inter alia*, the procurement and distribution of lab testing equipment and supplies, infection control products, personal protective equipment, and life-saving medical equipment for COVID-19 response, testing and case management to selected health facilities and laboratories.

Component 2. Implementation, Management, Monitoring and Evaluation

Supporting the Borrower in the implementation, management, monitoring and evaluation of the Project, including through: (a) the carrying out of one or more technical audit, as needed, to verify the distribution, delivery, installation, functionality, and use of lab testing equipment and supplies purchased under Component 1; and (b) the development of a system for monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall vest the overall responsibility of the Project on its MoH and, to this end, shall, through MoH:

   (a) maintain, throughout Project Implementation, its *Unité de Gestion Par Objectifs* ("UGPO") responsible for carrying out, with the technical support of other MoH’s directorates, the day-to-day management, monitoring and evaluation of the Project, including the financial management and procurement aspects and reporting requirements, in form and with terms of references, staffing and adequate resources acceptable to the Bank, and as further described in the Project Operational Manual; and

   (b) (i) no later than thirty (30) days after the Effective Date, or any later date as agreed by the Bank, prepare a manual acceptable to the Bank ("Project Operational Manual" or "POM"), and immediately thereafter, implement the Project in accordance with the POM;

       (ii) not amend, abrogate or waive the POM or any of its provisions without the Bank’s prior written consent; and

       (iii) ensure that, in case of any conflict between the provisions of the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

B. Environmental and Social Standards

1. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Borrower, through MoH, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
(d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Borrower, through MoH, shall ensure that:

(a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia:* (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower, through MoH, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

C. Technical Audits

For purposes of carrying out the verification of the distribution, delivery, installation, functionality, and use of lab testing equipment and supplies purchased under Component 1 of the Project, the Borrower, through MoH, shall: (a) select and hire a verification agent under terms of reference acceptable to the Bank, as defined in the POM; and (b) furnish to the Bank, each verification report covering a period of six (6) months not later than forty-five (45) days after the end of such period.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MoH, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may
withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay the Front-end Fee; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services and consulting services under the Project</td>
<td>18,254,250</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>45,750</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>
</tbody>
</table>

TOTAL AMOUNT 18,300,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed EUR 7,320,000 may be made for payments made prior to this date but on or after January 30, 2020, for Eligible Expenditures under Category (1).

2. The Closing Date is June 30, 2021.
SCHEDULE 3

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").

Level Principal Repayments

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 1 and November 1</td>
<td>4.17%</td>
</tr>
<tr>
<td>Beginning May 1, 2023 through May 1, 2034</td>
<td></td>
</tr>
<tr>
<td>On November 1, 2034</td>
<td>4.09%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.

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


4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 22, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.


7. “Ministry of Health” or “MoH” means the Borrower’s ministry in charge of health, or any successor thereto.

8. “MPA Program” means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.

10. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.