LOAN NUMBER 8398-TN

Loan Agreement

(Third Export Development Project)

between

REPUBLIC OF TUNISIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated Aug 21, 2014
AGREEMENT dated AUG 19, 2014, 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 thirty six million three hundred thousand Euro (EUR36,300,000) ("Loan"), to assist in financing the project described in Schedule I 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 1 and July 1 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withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan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 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 Parts I and Part 3 of the Project through its Ministry of Trade and Handicraft and cause Parts 2.A, B and C of the Project to be carried out by the Project Implementing Entities in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

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 Events of Suspension consist of the following namely that the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

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 Subsidiary Agreements have been executed on behalf of the Borrower and the Project Implementing Entities and have entered into effect in accordance with their terms.
(b) The Project Implementing Entity (CEPEX) has established a Matching Grant Selection Committee with composition, functions and terms of reference satisfactory to the Bank.

(c) The Project Implementing Entity (CEPEX) has established a Fund Management Technical Team with composition, functions and terms of reference satisfactory to the Bank.

(d) The Borrower has recruited or appointed to the PCMU, a procurement specialist, a financial management specialist and an accountant in accordance with the provisions of Section III.C of Schedule 2 to this Agreement.

(e) The Borrower has updated and adopted the Project Operations Manual for the Project in form and substance satisfactory to the Bank.

(f) The Project Implementing Entities have adopted the Matching Grant Manual and the PEFGF Manual respectively, in form and substance satisfactory to the Bank.

5.02. The Additional Legal Matter consists of the following:

(a) The Project Agreements have been duly executed and authorized by the Project Implementing Entities, and is legally binding upon them in accordance with their terms.

(b) That the Subsidiary Agreements have been duly executed by the Borrower and the Project Implementing Entities and are legally binding upon the Borrower and the Project Implementing Entities in accordance with their terms.

5.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is the Ministry of Economy and Finance.

6.02. The Borrower’s Address is:

Ministry of Economy and Finance
Secretary of State 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, on the day and year first above written.

REPUBLIC OF TUNISIA

By

Authorized Representative
Name: HAKIM BEN HAMMUDA
Title: MINISTER OF ECONOMY AND FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
Name: Eileen Murray
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to help increase and diversify exports by supported enterprises.

The Project consists of the following parts:

Part 1: Support to Improve the Business Climate for Trade Competitiveness and the Diffusion of Technology and Innovation

A. Support for the Restructuring and Modernization of Customs

(a) Upgrading the Borrower's customs information technology system, through the acquisition of goods and the provision of technical advisory services and Training to selected customs officials.

(b) Developing a comprehensive computerized post review risk management system for the Borrower's customs through the provision of technical advisory services, Training and acquisition of goods.

(c) Developing an authorized economic operator approach, through the provision of technical advisory services and Training for selected customs officials, including carrying out of communication campaign to promote the approach.

(d) Preparing and publishing a manual of procedures, users' guide and downloadable forms and documents on the customs' website, through the provision of technical advisory services.

(e) Developing operating procedures and related computerized system for the areas under customs control (zone logistique) through the provision of technical advisory services and the acquisition of goods.

B. Improvement of Trade Logistics

Improving trade logistics to lower the cost of exports for Tunisian enterprises through:

(a) Supporting the MT to better define the needs for improvement in the port of Radès, through carrying out of comparative studies with other competitor ports, institutional and operational audit of existing concessions and supporting the implementation of the measures recommended by the said studies and audit.

(b) Developing a system for the management and tracking of containers by STAM, through the provision of technical advisory services and acquisition of goods.

(c) Supporting the MT in the implementation of its logistics zones development strategy and its pilot logistic zone project in Radès, through the provision of technical advisory services and Training of selected personnel.
C. **Support Innovation and its Dissemination**

Strengthening INNORPI’s capacity in: (i) developing and disseminating services on industrial property to exporting firms; (ii) improving and expanding quality assessments on industry and export compliance, and ensuring recognition of national labels and brands; and (iii) creating new systems for traceability, certification, and accreditation of goods and services destined for export; all through the provision of technical advisory services and acquisition of goods.

Part 2: **Provision of Financial and Nonfinancial Services to Exporting Enterprises**

A. **Competitiveness Support and Export Development Fund**

(a) Provision of export subsidies to Beneficiaries in the form of Matching Grants.

(b) Supporting CEPEX in implementing and managing the Matching Grant scheme through the provision of technical advisory services, Training, and acquisition of goods, including carrying out of communication and market campaigns.

(c) Establishing a monitoring and evaluation system for the matching Grant scheme through the provision of technical advisory services and acquisition of goods.

B. **Pre-Shipment Export Finance Guarantee Facility (PEFGF)**

Increasing the amount of the Export Finance Guarantee Facility and provision of technical advisory services and Operating Cost to COTUNACE to, *inter alia*: (i) simplify the Export Finance Guarantee mechanism and procedures; (ii) improve COTUNACE’s governance and risk monitoring approach of the export finance guarantee; (iii) support the creation of a Foreign Establishment Guarantee product; and (iv) extend guarantee to exporting enterprises for securing eligible bonds from commercial banks.

C. **Strengthening CEPEX to become a sustainable export development services provider**

Strengthening the capacity of CEPEX through, *inter alia*:

(a) the provision of technical advisory services to carry out an institutional audit to reform its governance and operations and to facilitate public and private dialog to develop an action plan regarding such reform;

(b) the provision of technical advisory services and acquisition of goods for the implementation of the said action plan; and

(c) the provision of technical advisory services and acquisition of goods to improve CEPEX’s operations, particularly in the fields of market studies and information system.
Part 3: **Support to Selected Ministries for the Coordination and Management of the Project**

(a) Strengthening the capacity of the PCMU for effective implementation of the Project through the provision of Training, technical advisory services and acquisition of goods.

(b) Supporting selected ministries in the carrying out of studies, and implementation of, the Borrower’s export development studies and strategies, through the provision of technical advisory services and acquisition of goods.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Trade and Handicraft

   (a) The Borrower shall carry out its respective Parts of the Project, through the Ministry of Trade and Handicraft (MTH) in accordance with the project Operational Manual.

   (b) Without limitation to the provisions of sub-paragraph (a) of this paragraph, the Borrower shall, at all times during the implementation of the Project, maintain within the MTH, the Project Coordination and Monitoring (PCMU) with staffing (including a Project coordinator, a procurement specialist, a financial management specialist, an accountant, and a monitoring and evaluation specialist), resources and terms of reference satisfactory to the Bank to be responsible for day-to-day execution, management, and coordination of activities under Part 1 and Part 3 of the Project, including: (i) fiduciary management (financial and procurement); (ii) monitoring and evaluation; (iii) preparing and submitting Project Reports, financial reports and audit reports to the Bank; and (iv) such other technical, administrative, organizational and financial functions required under its Respective Parts of the Project as set forth in the Project Implementation Manual.

2. Steering Committee

   The Borrower shall, at all times during the implementation of the Project, maintain the Steering Committee with functions, composition and resources satisfactory to the Bank, to be responsible for the supervision of the Project and facilitation of its implementation, including approving annual reports and annual work plans and budgets, and such other functions as set forth in the Project Implementation Manual.

B. Subsidiary Agreements

1. To facilitate the carrying out of the Project Implementing Entities’ Respective Parts of the Project, the Borrower shall make part of the proceeds of the Loan allocated from time to time to Category 3 and 4 of the table set forth in Section IV.A.2 of this Schedule available, on a non-reimbursable grant basis, to the Project Implementing Entities under subsidiary agreements between the Borrower and the Implementing Entities, under terms and conditions approved by the Bank; (“Subsidiary Agreements”).

2. The Borrower shall exercise its rights under the Subsidiary Agreements 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 Subsidiary Agreements or any of their provisions.
C. Implementation Arrangements

1. Project Operations Manual (Operations Manual, Matching Grant Manual; Export Finance Guarantee Manual): The Borrower shall update in accordance with terms of reference acceptable to the Bank a Project operational manual, consisting of: (i) an operational manual, providing details of arrangements and procedures for the implementation of the Project: (A) capacity building activities for sustained achievement of the Project's objective; (B) procurement, financial management and disbursement arrangements; (C) institutional administration, coordination, and day-to-day execution of Project activities; (D) monitoring, evaluation, and reporting arrangements of Project activities; and (E) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; (ii) a Matching Grant manual, setting forth the detailed criteria for providing Matching Grants to Beneficiaries; and (iii) a PEGF Manual, setting forth the detailed policies and procedures for said Guarantee.

2. The Borrower shall afford the Bank a reasonable opportunity to exchange views with the Borrower on said Project operation manual, and thereafter, shall adopt such Project operation manual, as shall have been approved by the Bank (“Project Operation Manual”).

3. The Borrower shall ensure that the Project is carried out in accordance with the Project Operation Manual; provided, however, that in case of any conflict between the provisions of the Project Operation Manual, on the one hand, and those of this Agreement, on the other, the provisions of this Agreement shall prevail.

4. The Borrower shall not amend or waive any provisions of the Project Operations Manual without the prior written agreement of the Bank.

D. Anti-Corruption

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

E. Matching Grants

1. To ensure the proper and efficient implementation of Part 2.A of the Project, the Borrower shall cause the Project Implementing Entity to extend Matching Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Bank, which shall include the following:

   (a) The proposed Beneficiary:

      (i) is an entity in good standing that is registered under the laws of the Borrower and has the legal capacity to enter into binding agreements under the laws of the Borrower;

      (ii) is an entity that provides the services or carries out the activities eligible to be financed under Part 2.A of the Project; and
(iii) has provided satisfactory evidence of its ability, and has committed, to provide the required Beneficiary's contribution to the financing of the proposed Sub-project, as stated in the Matching Grant Manual for the relevant type of Sub-project, out of its own resources or resources other than the Matching Grant.

(b) The Sub-project shall contribute:

(i) to the Borrower's economic objectives;

(ii) to the sophistication and diversification of exports to include new goods and services;

(iii) to the Borrower's competitive advantage in the Project sectors in comparable countries; and

(iv) to the capacity of the actors in the Project sectors to utilize the assistance provided by the Project and to achieve tangible results.

2. The Borrower shall cause the Project Implementing Entity to make each Matching Grant under a Matching Grant Agreement with the respective Beneficiary on terms and conditions approved by the Bank including those specified in the Project Agreement.

F. Semi-Annual Work Plan and Budget

1. The Borrower shall prepare and furnish to the Bank not later than March 31 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following calendar year and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.

2. Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training.

3. The Borrower shall afford the Bank a reasonable opportunity to exchange views with the Borrower on each such proposed work plan and budget and shall thereafter adopt and ensure that the Project is implemented with due diligence during said following calendar year in accordance with such work plan and budget as shall have been approved by the Bank ("Annual Work Plan and Budget").

4. The Borrower shall not make or allow to be made any change to the approved Semi-Annual Work Plan and Budget without the Bank's prior approval in writing.
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 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 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 quarter, interim unaudited financial reports for the Project covering the quarter, 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.

4. The Borrower shall, not later than ninety (90) days after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, an external auditor for the Project, with terms of reference, qualifications and experience satisfactory to the Bank.

Section III.  Procurement

A.  General

1. Goods and Non-consulting Services. All goods 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 and Non-consulting Services

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods 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 the 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 document clearly set out the bid evaluation process, the award criteria and bidding qualification criteria.

   (iv) Bidding opportunities shall be advertised with no 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 the 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 Procurement must be submitted to, and found acceptable by, the Bank.

   (vii) The procedures shall include publication of evaluation results and the details of the contract awarded.

   (viii) Bids shall be evaluated based on price and on other criteria disclosed in the bid documents and quantified in monetary terms, and no domestic preference or any kind of preferential treatment for national companies shall be applied. The verification of the compliance of the 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; and

(x) Each bidding document and contract shall include provisions stating the 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) Direct contracting

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) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (e) Single-source procedures for the Selection of Individual Consultants; and (f) Single-source Selection of consulting firms.

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.
<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, Training, and Operating Costs under Part 1 and Part 3 of the Project.</td>
<td>10,209,250</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, and consultants’ services, including Training, under Part 2.C of the Project.</td>
<td>2,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Matching Grants under Part 2.A of the Project</td>
<td>17,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) (a) Contribution to the Export Finance Guarantee facility under Part 2.B of the Project</td>
<td>6,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Goods, non-consulting services, and consultants’ services, including Training, under Part 2.C of the Project.</td>
<td>800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Front-end Fees</td>
<td>90,750</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>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>36,300,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 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.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2014</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2015</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2015</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2016</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2016</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2017</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2017</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2018</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2019</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2019</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2020</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2020</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2021</td>
<td>2%</td>
</tr>
<tr>
<td>July 1, 2021</td>
<td>2%</td>
</tr>
<tr>
<td>January 1, 2022</td>
<td>2%</td>
</tr>
<tr>
<td>July 1, 2022</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2023</td>
<td>4%</td>
</tr>
<tr>
<td>July 1, 2023</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2024</td>
<td>4%</td>
</tr>
<tr>
<td>July 1, 2024</td>
<td>4%</td>
</tr>
<tr>
<td>January 1, 2025</td>
<td>4%</td>
</tr>
<tr>
<td>July 1, 2025</td>
<td>4%</td>
</tr>
<tr>
<td>January 1, 2026</td>
<td>3%</td>
</tr>
<tr>
<td>July 1, 2026</td>
<td>3%</td>
</tr>
<tr>
<td>January 1, 2027</td>
<td>0%</td>
</tr>
<tr>
<td>July 1, 2027</td>
<td>0%</td>
</tr>
<tr>
<td>January 1, 2028</td>
<td>4%</td>
</tr>
<tr>
<td>July 1, 2028</td>
<td>4%</td>
</tr>
<tr>
<td>January 1, 2029</td>
<td>3%</td>
</tr>
<tr>
<td>July 1, 2029</td>
<td>3%</td>
</tr>
<tr>
<td>January 1, 2030</td>
<td>3%</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


2. “Beneficiary” means, individually, a small or medium commercial or manufacturing direct or indirect exporting enterprise, including a first time direct or indirect exporter, established and operating within the Borrower’s territory, eligible to receive a Matching Grant from CEPEX under the competitiveness support and export development fund in accordance with the eligibility and selection criteria set forth in the Matching Grant Manual, and the term “Beneficiaries” means, collectively, more than one Beneficiary.

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

4. “CEPEX” means the Borrower’s Center for Export Promotion (Centre de Promotion des Exportations), an industrial and commercial public enterprise with industrial and commercial character established and operating according to the rules and regulations of the Borrower including under the law establishing the CEPEX and Decree No. 2005-3282 of 19 December 2005 fixing the organization of CEPEX, and such term includes any successor thereto satisfactory to the Bank.


6. “COTUNACE” means the Borrower’s Tunisian Company for Foreign Trade Insurance (Compagnie Tunisienne pour l’Assurance du Commerce Exterieur), a public participation enterprise established and operating according to the rules and regulations of the Borrower including under Act No. 84-40 of 23 June 1984 on export credit insurance as amended by Act No. 88-85 of 16 July 1988, and such term includes any successor thereto satisfactory to the Bank.

7. “Covered Risk” means the risk of loss suffered by a participating financial intermediary as a result of the failure to pay when due sums owing under a pre-shipment export finance loan granted to an Eligible Enterprise in the context of the PEGF, as determined in accordance with the terms and conditions set forth in the standard form of guarantee certificate.

8. “Dinars” and “TD” mean the Borrower’s lawful currency.

9. “Eligible Enterprise” means, individually, a small or medium commercial or manufacturing exporting enterprise established and operating within the Borrower’s territory, and engaged, directly or indirectly, in export transactions that are covered either by an irrevocable documentary credit which is confirmed in the Borrower’s territory by a participating financial intermediary party to a guarantee certificate or by export insurance
against market interruption and non-payment, all in compliance with the eligibility and selection criteria set forth in the PEFGF Manual, and the term "Eligible Enterprises" means, collectively, more than one Eligible Enterprise;

10. “Fiscal Year” means, individually, the twelve (12) month period corresponding to any of the Borrower’s or CEPEX’s or COTUNACE’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year, and the term “Fiscal Years” means, collectively, more than one Fiscal Year.

11. “Foreign Establishment Guarantee” means a risk mitigation instrument provided to companies to help them secure loans to open subsidiaries in foreign markets.

12. “Guarantee” means, individually, a certificate of guarantee issued under the PEFGF by COTUNACE to a Guarantee Holder in respect of a Covered Risk, and the term “Guarantees” means, collectively, more than one Guarantee, provided, however, that Guarantees shall exclude any failure to pay sums owing under pre-shipment export finance loans that are due to: (i) the situation or behavior of the foreign buyer, (ii) the occurrence of war, revolution, riot or national disaster in the territory of the foreign buyer; or (iii) the occurrence of loss of or damage to the production equipment of an Eligible Enterprise;

13. “Guarantee Holder” means a participating financial intermediary who, having granted a pre-shipment export finance loan to an Eligible Enterprise on the context of the PEFGF has been issued a guarantee certificate by COTUNACE in accordance with the provisions of the PEFGF manual;


15. “INNORPI” means the National Institute for Standards and Industrial Property (Institut National de la Normalisation et de la Propriété Industrielle) under the tutorship of the Borrower’s Ministry of Industry.

16. “Matching Grant” means funds allocated or proposed to be allocated out of the proceeds of the Loan to an eligible Beneficiary for the purpose of financing a Sub-project under Part 2.A of the Project, and referred to in Section I.E of Schedule 2 to this Agreement.

17. “Matching Grant Agreement” means an agreement between a Project Implementing Entity and an eligible Beneficiary providing for a Matching Grant.

18. “Matching Grant Selection Committee” means the committee established by the Project Implementing Entity to be responsible for the selection of the Matching Grant Beneficiaries.

19. “MT” means the Borrower’s Ministry in charge of Transport

20. “Operating Costs” means the incremental expenses incurred under Part 1 on account of Project implementation, including office equipment and supplies, vehicle operation and
maintenance, communication costs, office administration costs, utilities, travel and per diem, excluding the salaries of the Borrower's civil servants.

21. "PCMU" means the Project Coordination and Monitoring Unit established within MTH pursuant to MTH's (formerly MOC) Decision No. 157, dated March 26, 1999, and such term includes any successor thereto.

22. "PEFGF" means the Pre-shipment Export Finance Guarantee Facility established by the PEFGF Legal Framework and administered and operated by COTUNACE pursuant to the provisions of the Project Agreement with COTUNACE and the PEFGF Manual.

23. "PEFGF Legal Framework" means the law and/or decree adopted by the Borrower, Loi 99-95 d'06/12/1999, establishing the PEFGF and governing the conditions of its administration and operation.


25. "Procurement Plan" means the Borrower's procurement plan for the Project, dated May 2, 2014 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.

26. "Project Implementing Entities" means CEPEX and COTUNACE.

27. "Project Operations Manual" means the operations manual dated January 14, 2005 as updated, prepared by the Borrower for the Export Development Project II and the Additional Financing, and referred to in Section I.C. of Schedule 2 to this Agreement, to be updated by the Project Implementing Entity and the Borrower.

28. "STAM" means “Société Tunisienne d’Acconnage et de Manutention” established pursuant to its charter and articles of incorporation dated February 16, 1961.

29. "Steering Committee" means the steering committee to be designated for, or established under, the Project and referred to in Section I.A.2 of Schedule 2 to this Agreement.

30. "Sub-project" means a specific development project under Part 2.A of the Project, to be carried out by a Beneficiary out the proceeds of a Matching Grant; and “Sub-projects” means more than one Sub-project.

31. "Subsidiary Agreements" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entities.

32. "Training" means the cost associated with the training and workshops including: (i) local and international travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; (iv) training material preparation,
acquisition, reproduction and distribution expenses; and (v) other costs directly related to training preparation and implementation.