

No. 10598

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
TUNISIA**

Guarantee Agreement—*Second Port Project* (with annexed Loan Regulations No. 4, as amended, and Loan Agreement between the Bank and the Office des ports nationaux tunisiens). Signed at Washington on 29 November 1968

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 22 July 1970.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
TUNISIE**

Contrat de garantie — *Deuxième projet de travaux portuaires* (avec, en annexe, le Règlement n° 4 sur les emprunts, tel que modifié, et le Contrat d'emprunt entre la Banque et l'Office des ports nationaux tunisiens). Signé à Washington le 29 novembre 1968

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 22 juillet 1970.

GUARANTEE AGREEMENT¹

AGREEMENT, dated November 29, 1968 between REPUBLIC OF TUNISIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and the Office des Ports Nationaux Tunisiens (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to eight million five-hundred thousand dollars (\$8,500,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agrees to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961, as amended February 9, 1967,² with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 4 being hereinafter called the Loan Regulations).

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds

¹ Came into force on 29 April 1969, upon notification by the Bank to the Government of Tunisia.

² See p. 116 of this volume.

and the punctual performance of all covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Project (including debt service) and for operating, maintaining and developing the Borrower's undertaking and facilities, including in particular the facilities included in the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any such political subdivision, including the Central Bank of Tunisia or any other institution performing the functions of a central bank for the Guarantor.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as shall be reasonably requested with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the administration, operations and financial condition of the Borrower and other matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The Guarantor shall enable the Borrower to institute a comprehensive system of tariffs and rental and other charges pursuant to Section 5.14 of the Loan Agreement and to make from time to time such adjustments thereto as may be necessary to ensure the punctual performance by the Borrower of its obligations under Article 5.15 of the Loan Agreement.

Section 3.06. The free funds deposited by the Borrower in the Guarantor's Treasury, pursuant to Article 23 of Law No. 65-2, shall be at the disposition of the Borrower and may be withdrawn at any time.

Section 3.07. The Guarantor shall prepare, before the end of 1969, in cooperation with the Borrower, a comprehensive four-year port development program. Thereafter the Guarantor shall prepare a similar program or successive programs which cover the period at least up to December 31, 1976. The Guarantor shall promptly transmit to the Bank said programs upon their preparation, any proposed modification thereto or any proposed port investment not envisaged therein and afford the Bank a reasonable opportunity to exchange views with the Guarantor thereon before the proposed action is taken.

Section 3.08. The Guarantor covenants that it will promptly take or cause to be taken all such action as shall be required to enable the iron ore berth in the port of La Goulette to be dredged to a depth of twelve meters.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Secretary of State for Foreign Affairs of the Guarantor or such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Guarantor:

Secrétariat d'État aux Affaires Étrangères
Place du Gouvernement
Tunis, Tunisia

Alternative address for cables:

Minetran
Tunis

For the Bank:

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

Alternative address for cables:

Intbafrad
Washington, D.C.

Section 5.02. The Secretary of State for Foreign Affairs of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed

in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

The Republic of Tunisia:

By RACHID DRISS
Authorized Representative

International Bank for Reconstruction and Development:

By SIMON ALDEWERELD
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS
OTHER THAN MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 598, p. 270.*]

LOAN AGREEMENT

AGREEMENT, dated November 29, 1968, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and OFFICE DES PORTS NATIONAUX TUNISIENS (hereinafter called the Borrower).

WHEREAS the REPUBLIC OF TUNISIA (hereinafter called the Guarantor) has, by Loan Agreement (*Port Project*) dated June 5, 1964¹ (hereinafter called the First Loan Agreement), obtained from the Bank a loan for the development, construction and operation of the Port Tunis-La Goulette;

WHEREAS the Guarantor and the Borrower propose to continue the development of said port and other principal ports of the Guarantor; and

WHEREAS the Bank is willing to make a loan to the Borrower on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

LOAN REGULATIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1961 as amended February 9, 1967,² with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 4 being hereinafter called the Loan Regulations).

¹ United Nations, *Treaty Series*, vol. 539, p. 129.

² See above.

Section 1.02. Unless the context otherwise requires, the following terms, wherever used in this Agreement, shall have the following meanings :

1. "Law No. 65-2" means the Guarantor's Law of February 12, 1965, providing for the establishment of the Borrower as the same has been or may be amended from time to time.

2. "Tunisian Dinars" and the letter "D" mean dinars in the currency of the Guarantor.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to eight million five hundred thousand dollars (\$8,500,000).

Section 2.02. (a) The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan.

(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations and in accordance with the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

Section 2.03. Withdrawals from the Loan Account may be made on account of expenditures made prior to the Effective Date but after March 31, 1968.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}$ %) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Agreement to expenditures on the Project described in Schedule 3 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, (i) the goods to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Bank.

Section 3.03. Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The Director General of the Borrower is designated as the authorized representative of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) In the carrying out of the Project, the Borrower shall employ competent and experienced consultants, including accounting consultants, and contractors acceptable to the Bank, under terms and conditions satisfactory to the Bank and the Borrower.

(c) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

Section 5.02. The Borrower shall operate its undertaking by competent and experienced management and maintain, renew, repair and operate its facilities, machinery, equipment and property, including the facilities included in the Project, all in accordance with sound engineering, financial and port management standards and practices.

Section 5.03. (a) The Borrower shall at all times :

- (i) Employ a qualified and experienced financial manager in consultation with the Bank; and;
- (ii) Employ independent auditors acceptable to the Bank and shall have its accounts audited, and its balance sheet, income account and statement of profit and loss certified annually by such independent auditors. Copies of such certified balance sheet and statements, and the report of the auditors, shall be furnished to the Bank within six months from the close of the fiscal year to which they relate.

(b) The first employment of such financial manager and independent auditors shall be made by the Borrower before the employment of the accounting consultants, provided for in paragraph (b) of section 5.01 of this Agreement, shall have ceased.

Section 5.04. The Borrower shall maintain or cause to be maintained records adequate to identify the goods and services financed out of the proceeds of the Loan, to disclose the use thereof, to record the progress of the Project (including the cost thereof), and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower and all financial transactions between the Guarantor and the Borrower with respect to the Project; shall enable the Bank's representatives to inspect the Project, the goods financed out of the proceeds of the Loan and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods and services financed out of such proceeds, the Project, and the administration, operations and financial condition of the Borrower.

Section 5.05. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance of its obligations under this Agreement, the administration, operations and financial conditions of the Borrower and other matters relating to the purposes of the Loan.

(b) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods, the Project and the administration, operations and financial conditions of the Borrower.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Borrower of its obligations under this Agreement.

Section 5.06. Except as the Bank shall otherwise agree, the Borrower (a) shall obtain title to all goods financed in whole or in part with the proceeds of the Loan free and clear of all encumbrances; and (b) shall not sell, lease, transfer or otherwise dispose of any of its property and assets except in the ordinary course of business.

Section 5.07. The Borrower shall, except as the Bank shall otherwise agree, take all steps necessary to acquire, maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its operations.

Section 5.08. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Section 5.09. Subject to such exemptions as shall be conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement, the Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.10. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds.

Section 5.11. (a) The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Bank for insurance against such risks and in such amount as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure, or cause to be insured, the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Bank to replace or repair such goods.

Section 5.12. (a) Until the Project has been completed, the Borrower shall not (i) undertake or execute, for its own account or for the account of any third party or parties, any new major project or development other than the Project, or (ii) incur any major capital expenditures other than for the Project, unless the Bank and the Borrower shall

agree that such project or expenditure is economically justified and that the Borrower has the administrative and financial capacity required to carry out such undertaking or expenditure without prejudice to the efficient carrying out of the Project and of the Borrower's operations.

(b) Thereafter, if the Borrower shall propose to incur any major capital expenditure, it shall promptly inform the Bank of such proposal and afford the Bank a reasonable opportunity to exchange views with the Borrower thereon before the proposed action is taken.

Section 5.13. (a) Before the Borrower shall take any action to create any subsidiary, the Borrower shall first have satisfied the Bank that such action would not prejudice the interest of the Bank under this Agreement.

(b) The obligations of the Borrower expressed in this Agreement shall be applied to any subsidiary of the Borrower as though such obligations were binding on any such subsidiary, and the Borrower shall cause any such subsidiary to carry out such obligations.

Section 5.14. The Borrower shall institute a comprehensive system of tariffs and rental and other charges, which shall be reasonably related to the costs of providing its services and facilities, and shall not: (a) grant any exemptions therefrom, or (b) except for classes of users, grant any preferential treatment. When granted such preferential treatment shall be reasonable.

Section 5.15. (a) Except as the Bank shall otherwise agree, the Borrower shall from time to time make such adjustments in its tariffs and rental and other charges and shall take all such other action as may be necessary to provide the Borrower with revenue sufficient (1) to ensure a reasonable rate of return, which is deemed to be at least 6% by 1970, 7% by 1973 and such rate above 7% as maybe agreed upon between the Bank and the Borrower from time to time thereafter, on the Borrower's average net fixed assets after covering all operating expenses, including adequate maintenance and depreciation and (2) to enable the Borrower, out of internally-generated resources (i) to meet interest on and amortization of debt, (ii) to maintain adequate working capital, (iii) to establish and maintain reserves adequate to meet contingencies and (iv) to finance a reasonable portion of its capital expenditures, including replacement of assets.

(b) For purposes of this Section, the term "average net fixed assets" means the average of the gross value of fixed assets at the beginning and end of each fiscal year less accumulated straight-line depreciation in both cases.

(c) Except as the Bank shall otherwise agree, the gross value of the fixed assets of the Borrower shall be determined as follows:

- (i) for the fixed assets of the former Régie des Ports of the Guarantor, as of December 31, 1966, thirteen million seven hundred thousand Tunisian Dinars (D 13,700,000); and
- (ii) for all other fixed assets, the actual cost thereof.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 6.02 of this Agreement shall occur, or (ii) if any event specified in paragraph (a),

paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (iii) if a default shall occur in the payment of principal or interest or any other payment required under any other loan agreement between the Bank and the Borrower or under any bond delivered pursuant thereto or under any credit agreement between the Association and the Borrower and such default shall continue for a period of thirty days, or (iv) if a default shall occur in the payment of principal or interest or any other payment required under any loan agreement or under any guarantee agreement between the Guarantor and the Bank or under any bond delivered pursuant to any such agreement or under any credit agreement between the Association and the Guarantor under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement and such default shall continue for a period of thirty days, or (v) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations or paragraph (c) of Section 6.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. Pursuant to paragraph (l) of Section 5.02 of the Loan Regulations the following events are specified as additional events for the purposes of said Section :

- (a) Any other creditor shall in accordance with the terms of his loan agreement demand payment from the Guarantor or the Borrower, as the case may be, of moneys lent or made available to the Borrower prior to the agreed maturity thereof.
- (b) Law No. 65-2 shall have been amended, suspended, terminated or repealed so as to affect adversely the ability of the Borrower to carry out its obligations under the Loan Agreement.
- (c) A default shall have occurred under the First Loan Agreement other than in the payment of principal or interest or any other payment to the Bank required thereunder.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. Pursuant to paragraph (c) of Section 9.01 of the Loan Regulations the following event is specified as a condition to the effectiveness of this Agreement for the purposes of said Section :

The Borrower shall have certified in writing to the Bank that, as of a date to be agreed between the Bank and the Borrower (which shall be prior to the Effective Date), there has been no material adverse change in its condition since the date of this Agreement.

Section 7.02. The date of February 28, 1969, is specified for the purposes of Section 9.04 of the Loan Regulations.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1972 or such later date as may be agreed by the Bank.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Bank :

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

Cable address :

Intbafrad
Washington, D.C.

For the Borrower :

Office des Ports Nationaux Tunisiens
Batiment Administratif
Port de La Goulette
Tunisia

Cable address :

Ofporna
Tunis

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and to be delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By SIMON ALDEWERELD
Vice President

Office des Ports Nationaux Tunisiens :

By HAMED AMMAR
Authorized Representative

SCHEDULE 1

ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>United States Dollar Equivalent</i>
A. Dredging the entrance channel to La Goulette harbor and the access to the iron ore wharf; the petroleum products berth at Bizerte; the bulk materials wharf at Menzel-Bourguiba; the entrance channel to Sfax	\$1,550,000
B. A dredger of about 200 m ³ /hour capacity and a tug of about 750 HP	890,000
C. Tractors, forklift trucks and mobile cranes and rehabilitation of portal cranes	870,000
D. Rehabilitation of the island breakwater at Bizerte	370,000
E. Construction of bulk grain storage silo and associated handling equipment	2,500,000
F. Construction of dolphin berth at La Goulette to serve the new silo	320,000
G. Consultants services and training programs	850,000
H. Unallocated	1,150,000
TOTAL	\$8,500,000

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories A to G shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category H.

2. If the estimate of the cost of the items included in any of the Categories A to G shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan will be allocated by the Bank, at the request of the Borrower, to such Category from Category H, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Categories.

SCHEDULE 2

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
October 15, 1978	\$100,000	April 15, 1989	\$200,000
April 15, 1979	105,000	October 15, 1989	205,000
October 15, 1979	110,000	April 15, 1990	215,000
April 15, 1980	110,000	October 15, 1990	220,000
October 15, 1980	115,000	April 15, 1991	225,000
April 15, 1981	120,000	October 15, 1991	235,000
October 15, 1981	125,000	April 15, 1992	240,000
April 15, 1982	125,000	October 15, 1992	250,000
October 15, 1982	130,000	April 15, 1993	260,000
April 15, 1983	135,000	October 15, 1993	265,000
October 15, 1983	140,000	April 15, 1994	275,000
April 15, 1984	145,000	October 15, 1994	285,000
October 15, 1984	150,000	April 15, 1995	295,000
April 15, 1985	155,000	October 15, 1995	300,000
October 15, 1985	160,000	April 15, 1996	310,000
April 15, 1986	165,000	October 15, 1996	320,000
October 15, 1986	170,000	April 15, 1997	335,000
April 15, 1987	175,000	October 15, 1997	345,000
October 15, 1987	180,000	April 15, 1998	355,000
April 15, 1988	185,000	October 15, 1998	370,000
October 15, 1988	195,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than four years before maturity	1/8%
More than four years but not more than eight years before maturity	1 1/4%
More than eight years but not more than fourteen years before maturity	2 1/4%
More than fourteen years but not more than twenty years before maturity	3 1/4%
More than twenty years but not more than twenty-six years before maturity	5%
More than twenty-six years but not more than twenty-eight years before maturity	6%
More than twenty-eight years before maturity	6 1/8%

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of :

- A. Dredging the entrance channel to La Goulette harbor and the access to the iron ore wharf; the petroleum products berth at Bizerte; the bulk materials wharf at Menzel-Bourguiba; and the entrance channel to Sfax harbor.
- B. Provision of dredging equipment of about 200 m³/hour capacity and a tug of about 750 HP.
- C. Provision of cargo-handling equipment and rehabilitation of portal cranes at La Goulette.
- D. Construction of bulk grain storage silo and associated handling equipment.
- E. Construction of a new dolphin berth at La Goulette to serve the new silo; and rehabilitation of the island break-water at Bizerte.
- F. Consultants services and training programs.

The Project is expected to be completed by December 31, 1972.
