

AFRICAN DEVELOPMENT BANK



TUNISIA

COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

COMPLETION REPORT

**GOVERNANCE, ECONOMIC AND FINANCIAL
MANAGEMENT DEPARTMENT**

June 2008

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CURRENCY EQUIVALENTS**Currency: UA**

At Appraisal (November 1998)			At PCR preparation December 2004		
TND 1	=	1.4954	TND 1	=	1.85249
1 Euro	=	N.A.	1 Euro	=	1.15525
US\$1	=	1.40835	US\$1	=	757.7943
FRF 1	=	8.03667	FRF 1	=	N.A.

FISCAL YEAR

1 January - 31 December

ACRONYMS AND ABBREVIATIONS

AAEU	:	Association Agreement with the European Union
AFI	:	Industrial Land Agency
ATB	:	Arab Tunisian Bank
BCMA	:	Banque de Coopération du Maghreb Arabe (Arab Maghreb Cooperation Bank)
BCT	:	Banque Centrale de Tunisie (Central Bank of Tunisia)
BD	:	Board of Directors
BDET	:	Banque de Développement Economique de la Tunisie (Economic Development Bank of Tunisia)
BH	:	Banque de l'Habitat (Housing Bank)
BIAT	:	Banque Internationale Arabe de Tunisie (International Arab Bank of Tunisia)
BNA	:	Banque Nationale Agricole (National Agricultural Bank)
BNDT	:	Banque Nationale pour le Développement Touristique (National Tourism Development Bank)
BS	:	Banque du SUD
BT	:	Banque de Tunisie (Bank of Tunisia)
BTA	:	Fungible Treasury Bonds
BTC	:	Transferable Treasury Bonds
BTEI	:	Banque Tuniso Emirats Arabes d'Investissement (Tunisia Emirates Investment Bank)
BTKD	:	Banque Tuniso Koweïtienne de Développement (Tunisian-Kuwaiti Development Bank)
BTNB	:	Treasury Bonds Negotiable on the Stock Exchange
BVMT	:	Bourse des Valeurs Mobilières de Tunis (Tunis Stock Exchange)
CJO	:	Cimenterie de Jebel Ouest (Djebel El Ouest Cement Works)
CMSB	:	Banking Sector Modernization Commission
DGP	:	General Directorate of Forecasts
EU	:	European Union
FREP	:	Public Enterprise Restructuring Fund
GDP	:	Gross Domestic Product
GNP	:	Gross National Product
IMF	:	International Monetary Fund
ISAP	:	Industrial Sector Adjustment Programme
MDCI	:	Ministry of Development and International Cooperation
MFA	:	Multifiber Agreement
MTND	:	Million Tunisian Dinars
OPCVM/UCITS	:	Undertakings for Collective Investments in Transferable Securities
OPV	:	Public Offering of Shares
PAC	:	Competitiveness Support Programme
PRREF	:	Economic and Financial Reform Programme
SAP	:	Structural Adjustment Programme
SICAF	:	Closed-end Investment Trust
SICAV	:	Open-ended Investment Trust
SNCPA	:	Société Nationale de Cellulose et de Papier Alfa (National Cellulose and Paper Pulp Company)

SOCOMENA	:	Société Tunisienne de Construction et de Réparation Navale (Tunisian Shipbuilding and Repair Company)
STB	:	Société Tunisienne de Banques (Tunisian Banking Company)
STC	:	Société Tunisienne de Chaux (Tunisian Lime Company)
STICODEVAM	:	Société Interprofessionnelle de Compensation et de Dépôts en Valeurs Mobilière (Tunisian Central Depository)
SVT	:	Primary Dealers
UA	:	Unit of Account
UIB	:	Union Internationale de Banque (International Banking Union)

EXECUTIVE SUMMARY

1. Since the end of the 1980s, Tunisia has been implementing an economic reform process that has allowed it to achieve sustained economic growth, restore its internal and external balances, and pursue the opening of its economy. Despite these encouraging results, Tunisia faced two major challenges: (i) achieving higher levels of economic growth that could reduce unemployment, which remained high at about 15% of the working population; (ii) creating conditions that would foster Tunisia's entry into the Euro-Mediterranean Free Trade Zone, following the signing of the Association Agreement with the European Union (AAEU) in March 1998.

2. To meet these challenges, Tunisian authorities sought to deepen structural reforms. It is within this context that the Ninth Five-Year Economic Development Plan (1997-2001) was adopted. The macro-economic objectives of this plan were to (i) achieve an annual real GDP growth rate of 6% at the end of the period, (ii) reduce the inflation rate to 3%, and (iii) reduce the current account deficit of the balance of payments to 3% of GDP. At the same time, the government decided to implement financial sector reforms, which would allow it to play its full role in improving economic competitiveness, especially in terms of investment mobilization. The government thus sought the support of the Bank for the Competitiveness Support Programme (CSP), with co-financing from the World Bank and the European Union. The programme was identified by the Bank in June 1997.

3. The overall objective of PAC I was to consolidate the bases of a competitive economy and permit sustainable growth of the Tunisian economy. Its specific objective was to make capital allocation more effective by strengthening the financial bases of banking sector institutions and modernizing the financial sector's regulatory framework with a view to improving its intermediation capacity. In 2000, the banking sector had to be despecialized and the financial sector governed by new prudential rules. The programme comprised 36 measures grouped under the following five components: Restructuring/modernization of the banking system; ii) related reform of public and parastatal enterprises; (iii) revitalization of the treasury securities market; (iv) modernization of money management instruments; (v) strengthening of insurance companies and of the OPCVM (UCITS – Undertakings for Collective Investments in Transferable Securities). Nine (9) measures were conditions for loan effectiveness and disbursement of the first tranche, while the other ten (10) measures constituted conditions precedent to the disbursement of the second tranche of the loan. Most of the 36 planned measures have been implemented. Two disbursement conditions were waived at the request of the authorities, in agreement with the three co-financers, since the proposed alternative actions were deemed to be in compliance with objectives. On the whole, the programme led to the establishment of an institutional and prudential framework, in compliance with international standards, the consolidation of the banking sector, the emergence of larger banks, the revitalization of the treasury securities market, the strengthening of the management of insurance companies and of the OPCVM, and the reform of public enterprises.

4. The key factor underpinning the sustainability of PAC I impacts is the political will of the Tunisian authorities and their high degree of ownership of the reforms. Regulatory frameworks incorporating international standards were set up and the institutions operating in the sectors concerned quickly adapted to the new arrangements, thus contributing to considerable improvement in their management capacity. Specific measures taken, such as the settlement of the unpaid outstanding claims of public and parastatal enterprises, were supported by the

liquidation, restructuring, or privatization of 49 enterprises concerned by these outstanding payments, which limited their macroeconomic impact. PAC I thus contributed to far-reaching changes in the Tunisian economy, as part of the improvement needed to ensure the competitiveness of the economy. The pursuit of the reforms is thus based on the long-term development strategy adopted by the Government, in the context of its successive development plans for controlled integration of the Tunisian economy into the global economy.

CONCLUSION, LESSONS LEARNT, AND RECOMMENDATIONS

Conclusion

5. The PAC reforms were implemented thanks to the strong ownership and political will of the Tunisian government. The cofinanciers coordinated their efforts and collaborated very closely to ensure the success of this joint programme. The reforms undertaken helped reorganize and consolidate the banking sector, modernize the financial sector, in particular, through the revitalization of the Treasury securities' markets, and restructure their public enterprises. The consolidation of the banking sector resulted in improved intermediation, increased mobilization of resources, and more effective capital allocation. The programme also allowed the strengthening of the legal and regulatory framework as well as the role of the Central Bank of Tunisia (Banque Centrale de Tunisie - BCT), thus facilitating the pursuit of the reforms, which are in line with the long term development strategy adopted by Tunisia under its successive development plans. Overall, PAC I programmes were deemed highly satisfactory and had a positive impact on the economic growth of Tunisia.

6. At the end of the programme, some challenges still had to be met, to ensure the sustainability of programme impacts. The achievements of PAC I were strengthened under PAC II, which took into account several measures aimed at reforming the insurance sector's legal and regulatory framework as well as components focused on the competitiveness of the private sector, including the business environment, corporate governance, privatization, and new information technologies. It is supported by the same co-financiers, namely, the Bank, the World Bank, and the European Union.

Lessons Learnt

7. The following key lessons emerged from the implementation of PAC I:
- (i) The government's political will and programme ownership are determining factors for the effective implementation of reforms.
 - (ii) The targeting and concentration of measures according to interactions and the sequencing of reforms over a limited number of sectors helped achieve a good performance;
 - (iii) Close coordination among cofinanciers as well as their financial and technical contribution, especially in the conduct of economic and sector work during the design phase of the programme, helps ensure the quality of the programme design, and, subsequently, its implementation performance;

- (iv) The flexible attitude of co-financiers, in particular, with respect to fulfilling conditions, makes it possible to adapt reforms to initially unanticipated constraints. However, delays in obtaining waivers are relatively long—two and a half months; and
- (v) Conditions relating to privatization or mergers should be reviewed in a thorough and prudent manner, taking into account the effect of external factors on the Government's initial political will.

Recommendations

For the Bank

- (i) Verify the technical feasibility of each condition and each measure during the programme's preparatory phase, in consultation with all partners and the Government, to avoid possible obstacles and the need for waivers, which cause delays during programme implementation (§ 3.2.2-3.2.3);
- (ii) Simplify waiver procedures, giving more flexibility and weight to technical considerations (§ 3.2.3);
- (iii) Where necessary, identify and conduct specific sector studies prior to the formulation of the programme (§ 7.1.1 et 7.3);
- (iv) Continue using the joint programme approach to support a programme of such magnitude (§ 7.1.1 and 7.3); and
- (v) Maintain assistance for reforms to deepen the impacts of the programme and to support the transformation of the economy with a view to its integration into the global economy (chapter 6).

For the Government

- (i) Take into account factors external to political will, especially when it concerns privatization or mergers, making it a condition for disbursement (§ 3.2.2);
- (ii) Pursue financial sector reforms such as the consolidation of the banking and insurance sectors and of public enterprises (§ 4.3 and chapter 6); and
- (iii) Maintain the political will or the ownership of reforms by the government services in order to pursue efforts aimed at integrating into, and adapting to globalization (chapter 6).

BASIC PROGRAMME DATA

1- Name of the Programme: Competitiveness Support Programme I (PAC I)

1	Loan Agreement Number	B/TUN/PRO-APP/COM/99/65
2	Borrower	Tunisian Government
3	Beneficiary	Tunisian Government
4	Executing Agency	<i>Ministère du Développement Economique et de la Coopération Internationale</i>

2- Loan Data

	LOAN	ESTIMATE AT APPRAISAL	ACTUAL
1.	Loan Amount	UA 100 million	US\$ 140,835,000
2.	Interest rate	Fixed rate of 7.025 % for the 1st tranche (USD) Fixed rate of 5.980 % for the 2nd tranche (USD)	Fixed rate of 7.025 % for the 1st tranche (USD) Fixed rate for the 2nd tranche (USD)
3-	Repayment	In thirty (30) equal and consecutive six-monthly payments, starting from the sixth year after the date of signing of the loan agreement.	In thirty (30) equal and consecutive six-monthly payments, starting from the sixth year after the date of signing of the loan agreement.
4-	Grace Period	5 years	5 years
5-	Appraisal Date	November 1998	November 1998
6-	Date of Negotiations	February 1999	February 1999
7.	Board Presentation Date	March 1999	17 March 1999
8.	Approval Date	March 1999	17 March 1999
9.	Signature Date	April 1999	8 April 1999
10-	Effectiveness Date	September 1999	9 July 1999
11-	Start-up Date	December 1999	July 1999
12	Date of Supervision Missions.	-	10-16 October 1999, July 2000, and 16-20 October 2000.
13-	Date of Bank Completion mission	July 2002	9-16 December 2004
14-	Deadline for Last Disbursement	30 June 2001	31 May 2001
15-	Closing Date	30 June 2001	30 June 2001

3. Sources of Finance

PROGRAMME DATA	ESTIMATED	ACTUAL	DIFFERENCE
A D B	Amount approved in millions of UA	Amount disbursed in UA million	
	100	100	0.0
World Bank	Amount approved in millions of USD.	Amounts disbursed in USD million.	
	160	160	0.0
European Union	Amount approved in millions of Euros	Amount disbursed in Euros million	
	80	80	0.0

Disbursement of ADB loan

DISBURSEMENT	ESTIMATE AT APPRAISAL			ACTUAL			DIFFERENCE
	Date	Amount in UA	Amount in loan currency in US\$	Date	Amount in UA	Amount in loan currency in US\$	
1st tranche	July 1999	50,000,000	70,417,500	20/07/99	43,572,004	61,364,631.20	0.0
				20/9/99	6,427,996	9,052,868.80	
2nd tranche	Sept. 2000	50,000,000	70,417,500	31/05/01	50,000,000	70,417,500	0.0
TOTAL		100,000,000	140,835,000		100,000,000	140,835,000	0.0

5. Performance Indicators

1	Overrun/Balance in Percentage	0
2	Time Overrun/Underrun	0
	Slippage on Effectiveness Date	0
	Slippage on Completion Date	0
	Slippage on Last Planned Disbursement	0
3	Status of Programme Implementation	Completed
4	Completion Indicator	100%
5	Institutional Performance	Satisfactory
6	Borrower's Completion Report	Not prepared
7	Audit Report	Prepared

6- Missions

Missions	Number of Missions	Number of Persons	Composition	Staff/weeks
1. Identification	01	03	1 economist 1 financial analyst 1 economist/financial specialist	06
2. Preparation	01	03	1 economist 1 financial analyst 1 economist/financial specialist	06
3. Appraisal	01	03	1 economist 1 financial analyst 1 economist/financial specialist	06
4. Supervision	03	03	1 industrial economist 1 industrial economist 1 industrial economist	04
5. PCR	01	02	1 financial analyst 1 economist/financial expert	02

7- Disbursement Summary (in millions of UA)

Disbursement	Estimate/Appraisal	Actual
Total Disbursed	100	100
Annual Disbursement		
1999	50	50
2000	50	50 (2001)

TUNISIA
Competitiveness Support Programme I
Logical Framework Matrix

HIERARCHY OF OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	LEVEL OF INDICATORS AT COMPLETION	KEY ASSUMPTIONS AND RISKS
<p><u>OVERALL OBJECTIVE</u></p> <p>Consolidate the bases of a competitive economy</p>	<p>GDP growth rate of 5.5% in 2000</p> <p>Inflation rate of 3% in 2000</p> <p>Budget deficit-to-GDP ratio of 2.6% in 2000;</p> <p>Current account deficit of 2.5% by 2000.</p>	<p>Economic Budget</p> <p>Annual Report of the Central Bank of Tunisia (BCT)</p> <p>Economic Budget</p>	<p>GDP growth rate of 4.7% in 2000</p> <p>Inflation rate of 2.9% in 2000</p> <p>A budget deficit of 2.6% of GDP in 2000</p> <p>A current account deficit of 4.2% in 2000.</p>	
<p><u>PROGRAMME OBJECTIVE</u></p> <p>Make capital allocation more effective</p>	<p>The key interest rates will be more flexible in 2000</p> <p>The banking system will be despecialized in 2000</p> <p>All banking and finance institutions will be governed by new prudential rules in 2000</p>	<p>BCT Annual Report</p> <p>Official Gazette</p> <p>BCT Circulars</p>	<p>Amendment of banking law allowing BCT to conduct open market transactions</p> <p>Implemented. 2000 Banking law instituting universal banking.</p> <p>Done. BCT Circular instituting new prudential standards in 2000</p>	<p>Favorable economic situation</p>

HIERARCHY OF OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	LEVEL OF INDICATORS AT COMPLETION	KEY ASSUMPTIONS AND RISKS
OUTPUTS				
1. Legal, prudential and technological environment of banks modernized;	1.1 New banking law submitted to Chamber of Deputies in 2000;	1.1 BCT Annual report	1.1 Done. New banking law adopted in 2000	Conducting a monetary policy based on indirect instruments for regulation of bank liquidity
	1.2 Adoption of the bill to improve legal provisions and judicial proceedings relating to debt recovery in 2000	1.2 Government Communiqué	1.2 Waiver obtained in 2000. Condition included in PAC II. Law voted in August 2002.	
	1.3. Establishment of an information and teleclearing center at BCT in 2000.	1.3 BCT	1.3 Done. BCT created an information and teleclearing center in 2000.	Implementation of sound budget policy.
2. Banking system restructured;	2.1 775 MTND of doubtful debts will be cleared by 2000 at the latest	2.1 1999 and 2000 Budget Acts	2.1 Buyback and settlement of debts of public structures by the state in the amount of TND 687.4 million	
	2.2 New bank from merger of BTEI and UIB will be privatized in 2000	2.2 List of BCT certified banks	2.2 Waiver. UIB privatized in 2002 and BTEI became Banque Universelle after the completion of the programme.	
	2.3 Rate of bad debts in banking system under 15 percent in 2000.	2.3 BCT	2.3 Level of bad debts has dropped sharply but remains high at around 20 percent	
	3. 24 enterprises being liquidated; 20 EPP restructured, liquidated or privatized	3. List of public enterprises in the Ministry of Economic Development	3. Done. At the end of programme, the said enterprises were liquidated or privatized (cf. Annex).	
3. Public or parastatal enterprises privatized/restructured or liquidated	4.1 Emergence of a liquid secondary market for State domestic debt in 2000.	4.1 BVMT	4.1 A secondary market has emerged and still has to be developed with respect to its size as well as its liquidity	
4. Financial market revitalized	4.2 Appearance of a rate curve based on market conditions	4.2 BCT	4.2 The rate curve has been enriched, but it is not yet complete	

HIERARCHY OF OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	LEVEL OF INDICATORS AT COMPLETION	KEY ASSUMPTIONS AND RISKS
5. Insurance companies and OPCVM strengthened	5.1 Lloyds recapitalized in 2000 5.2 Annual increase in life insurance savings at a rate higher than 11 % 5.3 Management of OPCVM will be more professional in 2000	5.1 Directorate General for Insurance (DGA) 5.2 DGA 5.3 Annual Report of the Financial Market Council	5.1 Lloyds has been recapitalized 5.2 Life insurance savings remains undeveloped 5.3 Management of OPCVM is improved, but remains below international standards	
<u>ACTIVITIES</u> 1. Restructure/modernize banking system 2. Privatize/liquidate restructure public enterprises; 3. Modernize the treasury security market 4. Apply a monetary policy based on indirect instruments for management of bank liquidity; 5. Strengthen the insurance companies and OPCVM	<u>FINANCING</u> ADB: UA 100 million World Bank: USD 160 million European Union: 80 million Euros	Agreements signed Official Gazette	Cofinanciers disbursed the full amount of their commitment	Political will Social consensus Good technical capacity

I. INTRODUCTION

1.1 Since 1987, Tunisia has been committed to an economic reform process that has allowed it to achieve sustained economic growth, restore its internal and external balances, and pursue the opening of its economy. The Bank has supported and aided this reform process in Tunisia, successively granting four loans of UA 80 million in 1989, UA 75 million in 1989, UA 90 million in 1991 and UA 80 million in 1994 to support the Industrial Sector Adjustment Programme (ISAP); the Structural Adjustment Programme (SAP); the Agricultural Sector Adjustment Programme (ASAP); and the Economic and Financial Reform Programme (PRREF), respectively. The implementation of structural reforms from the early 1990s, and the determination to integrate Tunisia into the global economy, have created conditions for sustained economic growth and increased competitiveness of the Tunisian economy.

1.2 However, despite the encouraging results, Tunisia faced major challenges. The first was the high level of unemployment, affecting about 15% of the working population, hence the need to increase the rate of growth. The second challenge was to create conditions that were conducive to Tunisia's entry into the Euro-Mediterranean Free Trade Zone, following the signature, in March 1998, of the Association Agreement with the European Union– (AAEU), which was expected to have a strong impact on employment in import-substitution industries established in Tunisia. The Tunisian authorities therefore decided to pursue and deepen structural reforms already undertaken within the context of the Ninth Five-Year Economic Development Plan (1997-2001). The macro-economic objectives of this Plan were to (i) achieve a real annual growth rate of 6% at the end of the period; (ii) reduce the inflation rate to 3%; and (iii) reduce the balance of payments current account deficit to 3% of GDP. To achieve these objectives, it was necessary to strengthen the mobilization of national savings, promote exports, increase productivity, and acquire new technologies. Realizing the importance of the performance of the financial sector, the government decided to implement reforms in the sector, aimed at improving the allocation of capital. The financial sector reforms also addressed the need to open up the sector to international competition as of 2001, in accordance with WTO's Financial Services Agreement.

1.3 It was against this backdrop that the Tunisian Government sought support from the Bank, the World Bank and the European Union for its first Competitiveness Support Programme I (PAC1). This programme had been identified by the Bank in June 1997. PAC I was based primarily on the work of the Banking System Modernization Commission – (CMSB), whose conclusions had been approved by the Conseil Ministériel Restreint (CMR) (Select Ministerial Committee), presided over by the Head of State; its major thrusts were defined by the Tunisian government itself. In addition, PAC I had been enriched by work done by the Bank, the World Bank, the European Union, and the International Monetary Fund. The Bank played the lead role in the component relating to development banks, given its experience with the financing of 12 lines of credit. The Bank also conducted a study on the insurance sector financed with a Japanese grant. This study has earned its place as the benchmark for all reform actions in this sector. The programme was jointly prepared by the cofinanciers, leading to a common matrix of measures and to common conditions. The World Bank has assumed the lead role for the programme.

II. PROGRAMME OBJECTIVES AND FORMULATION

2.1 Programme Objectives and Description

2.1.1 The overall objective of PAC I was to consolidate the bases of a competitive economy and create sustainable growth of the Tunisian economy. Its specific objective was to make capital allocation more effective by strengthening the financial bases of banking sector institutions and modernizing the regulatory framework of the financial sector with a view to improving its intermediation capacity. In 2000, the banking sector was to be despecialized and the financial sector governed by new prudential rules.

2.1.2 The programme comprised the following five components:

- (1) Restructuring and modernization of the banking sector, involving: consolidation of the portfolios of the Banks concerned by the unpaid claims of public enterprises and parastatals; (ii) implementation of new prudential rules, raising the capital adequacy ratio from 5% to 8%, in accordance with international standards; (iii) modification of the 1967 banking law in order to despecialize banks and introduce competition; and (iv) modernization of the banking system by establishing a teleclearing system, as well as an effective financial information and data center
- (2) Related reform of public and parastatal enterprises, to ensure better use of public resources and a decline in the incidence of non-performing loans in the banking sector. Thus, 49 enterprises were to be restructured, privatized or liquidated, reducing the public sector portfolio and minimizing the risk of the reoccurrence of public sector arrears on the banking sector;
- (3) Revitalization of the Treasury securities market, by developing a secondary market for government debt, in particular, the appointment of primary dealers (*Spécialistes en Valeurs du Trésor --SVT*) and the introduction of fungible Treasury bonds (*Bons du Trésor Assimilables --BTA*);
- (4) Modernization of monetary management instruments: by conferring on interest rates a dominant role in the allocation of capital. Money market rates will thus be differentiated and the Central Bank of Tunisia, through the floor rates and repo rates, will have efficient instruments to properly implement its monetary policy;
- (5) Strengthening of insurance companies and of the OPCVM: For insurance companies, this involved the application of new prudential rules and new accounting standards, strengthening the institutional framework of the sector and improving protection of the insured. Concerning the OPCVM, it involved putting in place an institutional framework that was better adapted to a more professional management of their portfolio and ensuring better protection of investors by providing them with more information on the value of their investments.

2.2 Preparation, Appraisal, Negotiation, and Approval

2.2.1 The Competitiveness Support Programme (PAC I) aimed to address concerns about opening up the financial sector to international competition, as of 2001, in accordance with the General Agreement on Financial Services, concluded by Tunisia under the WTO. It was identified by the Bank in June 1997. The design of the programme was based largely on the work of the Banking System Modernization Commission, whose conclusions were approved by the Government. It was also enriched by work done by the Bank, the World Bank, the European Union and the IMF.

2.2.2 The Bank, the World Bank, and the European Union collaborated closely during the design phase of the programme through many information exchanges and three joint missions: an identification mission in 1997, a preparation mission in 1998, and an appraisal mission in November 1998. The AfDB preparation mission as well as the appraisal mission comprised a financial analyst and a financial economist, an expert in the financial sector. Joint negotiations were held with the World Bank in February 1999. In a bid to harmonize coordination, the Bank and the World Bank opted for disbursement in two tranches, both subject to the same conditions. The loan was approved on 17 March and signed on 8 April 1999. The programme is in line with the CSP for the period concerned, one of whose objectives was private sector development and support for financial sector reform.

III. PROGRAMME IMPLEMENTATION

3.1 Effectiveness and Release of First Tranche

3.1.1 In accordance with the loan agreement, the loan, in the amount of UA 100 million (equivalent to USD 140 835 000) was to be disbursed in two equal tranches of UA 50 million. In addition to the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the Bank, release of the first tranche was subject to fulfillment, by the borrower, of the following specific conditions:

- (i) Provide evidence of the
 - consolidation of debts, with joint government guarantee, in the amount of TND 86.5 million for the following public enterprises: AFI (15.4 million); SNCPA (54.7 million); SOCOMENA (11.7 million) and STC (4.7 million);
 - reimbursement to banks of the Cimenterie de Djebel El Ouest (CJO) debt in the amount of TND 48.2 million;
 - decision to settle the claims on the 24 enterprises being liquidated, a total of TND144.5 million;
- (ii) Undertake to clear TND 409 million, representing the doubtful debts of the 20 enterprises selected;

- (iii) provide evidence of the increase in the tax deductibility of provisions from 50% to 75% of banks' taxable income;
- (iv) Provide evidence that the discount applied to classified claims assigned to collection agencies will be deductible from the taxable income of banks;
- (v) communicate the main thrusts of the banking law, comprising in particular, the single license, banks' authority to create subsidiaries in the area of financial services, the obligations and responsibilities of boards of directors and their members, as well as prudential measures;
- (vi) provide evidence of the submission of bids for the recruitment of a firm that will be responsible for valuation of the assets of BTEI and UIB;
- (vii) undertake to privatize the new bank created by the BTEI/UIB merger;
- (viii) undertake to conduct the study on the BTEI/BNDT/STB merger; and
- (ix) provide evidence of the
 - increase in the capital adequacy ratio from 5 to 8%, in accordance with international standards;
 - adoption of a new banking accounting plan, in compliance with international standards;
 - liquidation or initiation of the process to liquidate 24 of the 29 public enterprises concerned by the settlement of outstanding claims;
 - licensing of primary dealers.

3.1.2 Since all the conditions had been fulfilled to the satisfaction of the Bank, the loan became effective on 9 July 1999, and the first disbursement was released on 20 July 1999, about three months after the signing of the Loan Agreement and a little less than four months after the approval of the programme by the Bank. However, the amount of this first disbursement was not 50% of the loan amount, since, at the request of the Borrower, the disbursement of the first tranche was effected in two parts (US\$ 61,364,631.20 on 20 July 1999 and the remainder of the tranche, US\$ 9,052,868.80, on 20 September 1999).

3.2 Disbursement of the Second Tranche

3.2.1 In addition to satisfactory implementation of the programme and the use of the first tranche of the loan, the disbursement of the second tranche, in the amount of UA 50 million, was subject to the following ten specific conditions, which consisted in providing proof of

- (i) the settlement of TND 409 million of the outstanding claims on 20 public enterprises and parastatals;
- (ii) the liquidation, restructuring, or privatization of 20 enterprises targeted by the previous condition;
- (iii) compliance by banks, with the exception of two banks, with the capital adequacy ratio of 8%
- (iv) presentation to the Chamber of Deputies of the Bill on improvement of legal provisions and judicial proceedings relating to debt recovery;
- (v) submission to the Chamber of Deputies of the new banking law;
- (vi) initiation of the international competitive bidding process for the sale of all the State's participation in the capital of the bank resulting from the merger of UIB and BTEI, with a view to its privatization;
- (vii) the issuance of BTAs;
- (viii) the introduction of BTAs to the STICODEVAM for their clearing and delivery;
- (ix) submission to the Chamber of Deputies of a new law on OPCVM; and
- (x) recapitalization of Lloyds Tunisia.

3.2.2 Two of these conditions were waived by the Bank because of their complexity. These were conditions (iv) and (vi). The waiver was approved by the Bank on 11 May 2001. One of the conditions concerned the submission to the Chamber of Deputies of the amendment to the Code of Civil and Commercial Procedures to facilitate the recovery of classified bank claims. The amendment of this Code seemed to be complex, since it affected other legislation, in particular the code governing firms, the commercial code, and the civil code. Furthermore, because the executive branch lacks control over the parliamentary timetable, it was difficult to fulfill the condition within a reasonable time frame. Disbursement was delayed because of all these factors and the waiver procedures. The condition could only have been considered by the Bank as fulfilled upon presentation by the Borrower of proof that the process of drafting the law was well advanced, and that the tabling of the Amendment before Parliament was irreversible. With respect to the measure concerning the merger of BTEI and UIB, although the merger had initially been accepted in principle, it could not be carried out because of failure to reach an agreement with a foreign State that held a joint share in BTEI capital, a public development bank. The government took the initiative of completing the study on the merger and drew on the work of the Public Enterprise Reorganization and Restructuring Commission (*Commission d'assainissement et de restructuration des entreprises publiques*) to privatize the UIB. The Bank had deemed technically acceptable the process undertaken by the government to privatize UIB, since the objective sought through the condition was to continue the government's disengagement from the banking sector. It is worth underscoring that UIB was privatized in November 2002, under PAC II, with the Société Générale (French bank) as the beneficiary. This disengagement brought in 102.7 MTND to the State.

3.2.3. The second tranche was therefore disbursed on 31 May 2001, eight months after the initial date envisaged. The large number and complexity of conditions was the cause of the slippage. Nonetheless, it should also be noted that, the request for a waiver introduced by the Tunisian government was dated 24 February 2001, and that the waiver was granted on 11 May 2001, two and a half months later.

3.3 Matrix of Measures

The detailed matrix of programme measures is presented in Annex 4. Overall, the Tunisian authorities implemented the majority of the 36 programme measures. Indeed, 34 of the 36 planned measures were implemented during the programme period, while the others, relating to the disbursement of the second tranche, were implemented after the period because of their complexity, as indicated in the previous section (§ 3.2.2).

3.4 Monitoring, Evaluation, and Reporting

The implementation of the programme was coordinated by the General Directorate of Forecasts (*Direction générale de la Prévision - DGP*) in the Ministry of Development and International Cooperation (*Ministère du développement et de la coopération internationale-MDCI*). The DGP has qualified staff and proven experience in the design and implementation of macroeconomic and financial programmes. It therefore put in place an efficient system to monitor and coordinate measures. The management of PAC I therefore did not experience any institutional problems. Audit reports were regularly submitted. Apart from the monitoring and coordination of measures implemented by the DGP, effective joint supervision missions between the Bank and cofinanciers allowed close monitoring of the programme. The Bank produced three reports following the three supervision missions.

3.5 Procurement of Goods and Services

Most of the goods financed from the loan resources concerned public entities. Procedures for the procurement of goods and services under the Loan Agreement were fully complied with: (i) international competitive bidding for public contracts for goods and services equal to or above UA 4 million; (ii) procurement, by public organizations, with an estimated cost below UA 4 million was done according to procedures normally used by the Borrower. However, an exception was made, with the agreement of the Bank, for petroleum products and food products for which there are specific international trade practices. Resources earmarked for these two types of products were limited to 30% of the amount of the loan.

3.6 Sources of Finance

According to the appraisal report, PAC I was to be financed by three institutions: the ADB (UA100 million), the World Bank (US\$ 160 million) and the European Union (80 million Euros). The co-financiers collaborated very closely. The full amounts of World Bank and European Union loans were disbursed.

IV. PROGRAMME PERFORMANCE AND RESULTS

4.1 Institutional Performance

4.1.1 One of the specific objectives of the programme was to make capital allocation more effective by improving the performance of the financial sector. With respect to the financial market, the programme led to the emergence of the secondary market by introducing new instruments such as the fungible Treasury bond (BTA). The insurance sector was partially reorganized, in particular through the restructuring of Lloyds Insurance Company of Tunisia and, thereafter, its privatization, important steps in its financial and institutional consolidation. Concerning OPVCMs, a new law was adopted in 2000, comprising, notably, an increase in the minimum capital and prudential rules. The introduction of 5 new open-ended investment trusts (SICAVs), 3 bond-based and 2 mixed, with indicators, allowed the diversification of instruments, strengthening the institutional structure of the financial market, thus conferring upon it a stronger position in the mobilization of long-term savings for development financing needs.

4.1.2 Regarding the banking system, a new law on credit establishments was adopted in 2000. But the measure relating to the law on the improvement of legal provisions and judicial procedures relating to debt recovery was not achieved. Nonetheless, the process of consolidating the banking sector was initiated, especially by settling and clearing the delinquent loans of public enterprises. Similarly, the privatization of UIB helped consolidate it and strengthen private sector participation in the capital of banks in Tunisia. It also made it possible to address the issue of development banks, which had a very high level of delinquent loans and were facing increased competition as commercial banks obtained better access to medium-and long-term resources. In addition, the study on the BDET, BDNT, and STB merger resulted in the takeover by STB of the two development banks mentioned above, thus becoming the largest bank in Tunisia with a capital of TND 123.4 million. This gradual consolidation of banking institutions helped build the institutional capacity of the Tunisian banking system. Furthermore, an information and teleclearing center was created at the BCT in 2000, modernizing the banking system.

4.1.3 With respect to the public sector liquidation and restructuring programme, 24 enterprises were liquidated, 20 parastatals restructured, liquidated, or privatized between 1999 and 2000. At the completion of PAC I, it was noted that the legal, prudential, and technological environment of banks had been rehabilitated, the banking system had been restructured, public or para-statal enterprises privatized, restructured, or liquidated, the financial market revitalized and insurance companies and the OPCVM strengthened. All the measures relating to the financial sector helped strengthen its capacity to mobilize savings and use its resources more efficiently. Overall, the institutional performance of PAC I was deemed highly satisfactory.

4.2 Economic Performance

4.2.1 Overall, the macroeconomic framework was consolidated. However, GDP growth did not evolve positively in line with programme objectives, since it was only 4.7% in 2000 (compared with a 5.5% objective) and rose slightly to 4.9% in 2001, compared with 5.5% per year on average over the 1999-2000 period. Nevertheless, the Tunisian economy largely overcame the shocks caused by sluggish European growth and three consecutive years of drought (1998/99-2001/02). Economic growth was driven primarily by exports, which were the main success of the

programme. Indeed, real export growth was about 8% on average during the 1997-2001 period. However, this growth suffered the effect of the exogenous shocks described above and slumped to 2.1% in 2001. GDP growth was also driven by domestic demand, which rose at a faster rate. It was underpinned by investment, particularly foreign direct investment, concentrated primarily in growth-bearing and high value-added sectors such as mechanical and electrical industries, as well as ICTs. Inflation continued to decline, from 3.4 % on average between 1996 and 2000, to 2.9 % in 2000, slightly lower than the 3% target. In contrast, the fiscal deficit reached 2.9% in 2000, compared with a 2.6 % goal in 2000, and the current account deficit stood at 4.2% in 2000, which is much higher than the 2.5% objective. This poor performance on the current account front stems from a major increase in imports (9.6%), compared with 3.0% in 1999, mainly due to the upgrading of the economy. This required increased imports of equipment to modernize manufacturing industries. Tax revenues were driven by a significant increase in imports resulting from the modernization and upgrading of factories.

4.2.2 Overall, given the improved performance of the financial sector and the positive development in economic growth in Tunisia relative to the world situation during the programme period, the macroeconomic performance of PAC I is deemed highly satisfactory.

4.3 Sector Performance

4.3.1 The objective of the sector indicators was to ensure more effective capital allocation. This involved the following indicators, which were expected to be achieved in 2000: (i) adoption of more flexible bank sector prime rates, (ii) despecialization of the banking sector, and (iii) emergence of new prudential rules for all banking institutions.

4.3.2 The improvement in the banking sector is undeniable: the capital adequacy ratio of banks rose from 6.3% in 1997 to 13.3 % in 2000, as a result of the decline in the incidence of non-performing loans-NPL – (unpaid for 90 days or more), from 23% in 1997 to 21.6% at end-2000; the stock of domestic credit from banks and financial institutions increased (TND 22.956 million, a 7.9% jump compared with 6.5% in 1999); credit to the economy rose, following the decline of the government's debt to the financial system (from 10.7% or TND 1 837 million in 2000 in relation to 1999 compared with 7.8% or TND 1 236 million in 1998). The quality of the portfolio of bank claims also improved, its financial situation consolidated and its intermediation performance improved. With respect to non-banking financial sector activities, equity financing had quadrupled, rising from 10.6% in 1997 to 45.1% of domestic savings in 2000, while the volume of financial leases contracted by leasing companies had doubled.

4.3.3 With respect to portfolio quality, the clearance by the state of its debts was done according to the updated situation of each enterprise concerned. To some enterprises deemed financially and operationally sound, the government issued debt service guarantees. An enterprise was privatized and its bank debts reimbursed directly by its new owners. The debts of liquidated enterprises were taken over by the State. With debt service guarantees or reimbursement agreements from the government, the risk of collecting bad debts from public and parastatal enterprises no longer exists. Thus, according to BCT regulations, the banks were authorized to remove these debts from the "bad debts" category, creating an indirect positive effect on the financial situation of banks and their capacity to grant credit: decline in the incidence of NPLs, from 23% in 1977 to 19% in 1999; prohibiting banks from making available

supplementary provisions to cover these claims. Thus, the drastic reduction in the need for additional resources for bad debts (from TND 36 million in 1997 to TND 4.4 million in 2000) helped improve the capital adequacy ratio of banks.

4.3.4 To encourage banks to constitute provisions, the 1999 budget law included tax measures to increase the tax deductibility of provisions from 50% to 75% of taxable earnings. Concerning the discount applied to claims assigned to collection agencies, the Government introduced, in this law, a measure allowing the deduction from the taxable revenues of banks, of the discount related to the cost of claims assigned to collection agencies.

4.3.5 With respect to prudential rules, as of March 25, 1999, the BCT instituted new accounting standards, in line with international standards, and raised the minimum level required for the capital-adequacy ratio from 5% to 8%. All the institutions in the sector, with the exception of one bank, complied with this ratio, which is an international prudential standard. In addition, the BCT set the amount of exposure that a bank cannot exceed for the same beneficiary at 25% of its capital base. Since April 2001, it set a liquidity ratio which is calculated as the ratio between the current assets and the current liabilities and which cannot fall below 100%.

4.3.6 The new banking law, voted in Parliament in 2000, concerns: (i) a single license for banks, (ii) the authority of banks to create subsidiaries in the area of financial services, (iii) the obligations and responsibilities of boards of directors and their members, as well as (iv) prudential measures. This law is in line with international standards and constitutes significant progress in the modernization of the legal infrastructure of the banking sector regulatory framework. A new law, relating to the strengthening of the OPCVM, was voted by Parliament, and comprises, in particular, an increase in the minimum capital and new prudential rules.

4.3.7 Since the end of 1999, electronic clearing has been operational for transfers and withdrawals. Teleclearing, allowing the rapid conclusion of transactions, started in March 2001. The *Centrale des bilans (Balance Sheet Database)* was put in place and became operational. Improvement in the data provided to this *Centrale des bilans* will allow more refined analysis of credit risk. To improve the quality of information and facilitate decision making with respect to the granting of credit, a document on individual credits, available on the Internet, was set up in November 2002. It allows the centralization of data relating to non-professional credits and purchase payment terms granted to individuals and to communicate this information to banks and enterprises granting loans to non professionals, as well as to traders making sales with payment facilities.

4.3.8 Concerning privatization, 49 public enterprises were affected by overdue payments to the banking system, 24 of which were liquidated (see Annex 4) and one privatized. Four public enterprises were maintained in the public sector with performance contracts. Thereafter, concerning restructuring, privatization or liquidation of 20 other enterprises, the government liquidated three enterprises, restructured seven, and privatized the remaining ten (see Annex 5). Meanwhile, the privatization programme was not completed and will be pursued. In addition, in 2001 Parliament voted a draft amendment of the law on public enterprises, eliminating the 34% threshold required from banks, subject, in addition to banking regulations, to that of public enterprises, as soon as the equity participation of the State and its divisions reached more than 34%. This law helped reduce administrative control over banks and insurance companies.

4.3.9 To revitalize the Treasury securities' market, the government replaced the old bonds with new benchmark bonds: the launching of the BTA was a success, with the proportion of BTAs increasing rapidly to more than 50% of the total stock of treasury bonds. The BTAs were introduced in the STICODEVAM for their clearing and delivery. However, although this measure had aimed to facilitate the development of the secondary market for treasury bonds, the latter remained negligible, primarily because of the inadequate liquidity level. In addition, the government licensed 10 primary dealers, which serve as intermediaries for BTA auctions. In the context of modernization of currency management instruments, the law creating the BCT was amended in 2000, allowing the BCT to conduct open market transactions and to buy or repurchase from banks, tradable government securities, as well as all claims or securities on enterprises and individuals that appear on the list prepared by its board of directors.

4.3.10 With the strengthening of insurance companies and the OPCVM, new accounting standards, in compliance with international standards, were introduced at Lloyd's Insurance Company: presentation of financial statements, internal control and accounting organization, placement of enterprises, etc. The OPCVMs are expected to be accountable for their management and to publish, in the official CMF journal, the composition of their shares. Apart from the group of texts governing the SICAV and the FCPVM, the OPC code introduced several modifications, pertaining to the structure of shares, the mode of management, operations, and control, as well as the licensing procedure.

4.3.11 Overall, sector performance was deemed highly satisfactory: (i) PAC I made it possible to pursue modernization of the banking system, thanks, in particular, to the adoption of the new banking law, the institution of new accounting standards, in compliance with international standards, and the reduction of administrative control over banks and insurance companies; (ii) the quality of the portfolio of banks and public enterprises improved, as well as the capital-adequacy ratio of banks, especially as a result of the clearance by the state of its debts and to the drastic reduction in the need for supplementary provisions for outstanding debts; (iii) credit to the economy increased following the decline in the State's claims on the financial system and the increase in credits to the economy.

V. PROGRAMME IMPACTS

5.1 Economic Impact

5.1.1 The measures implemented under PAC I led to a significant improvement in the performance of the financial sector, particularly in the capital markets between 1999 and 2000: A73.7% increase in government securities mobilized; 4.7% increase in the issuance of capital securities; an 8.2% increase in the amount of bond issues; a 65.9% increase in securities trading on the stock market; a sharp 76% rise in 2000, after the 74% rise in 1999 in the BVMT index; a 16.9% increase in stock market capitalization, reaching 14.8% of GDP (compared with 13.4% and 10.8% in 1999 and 1998, respectively). With regard to bond-related mutual funds (SICAV obligataires), the volume of their assets grew by 27.9% from 1999 to 2000. During 2000 5 new SICAV, including 5 bond-related and 2 mixed, became operational. This renewed dynamism and the diversification of instruments has given the financial market a more prominent role in mobilizing savings to meet financial needs.

5.1.2 There was improvement in the banking sector both with respect to its portfolio as with its intermediation performance, especially as a result of efforts to consolidate NPLs (see § 4.3.2) by reducing the state's indebtedness to the financial system. This allowed better performance in terms of contribution to the economy through regular increases in credit to the economy. All these factors had positive economic impacts on the financing of the economy and thus on economic growth.

5.2 Social Impact

5.2.1 Direct social impacts can be measured at the insurance sector level. An insurance guarantee fund was created to protect the insured against all possible insolvency of insurance companies. The insured will be better protected and will receive better services; compensation will be paid as expeditiously and as smoothly as possible. Taxes on life insurance were eliminated to promote its adoption. In addition, some of the prudential rules put in place to consolidate the banking sector and strengthen OPCVM management were aimed at facilitating access to financing by small investors and at protecting their savings.

5.2.2 The increase in savings performance, which resulted from the improvement of the banking and financial sector, helped increase credits to the economy and positive growth in the Tunisian economy. Thus, good economic performance led to reduction in economic vulnerability and poverty: the proportion of economically vulnerable people declined from 9 to 6 % of the population between 1995 and 2000, while the incidence of poverty fell from 13% in 1980 to 4.1 % in 2000.

5.2.3 At the same time, the government continued to implement measures aimed at promoting women's advancement through the creation of institutional structures and frameworks, such as the National Council for Women and the Family, the Women and Development Commission and the Centre for Research, Documentation and Information on Women (CREDIF), the National Commission for Rural Women, but also, through the search for parity with respect to schooling and recruitment into the public service. Women are, therefore, also beneficiaries of the economic and social impacts of the programme.

5.3 Environmental Impact: PAC I has no direct environmental impact, given the nature of its measures.

5.4 Impact on Governance: A new banking law, which redefined the obligations and responsibilities of the boards of directors and of their members in banks, in accordance with international standards, helped improve transparency in management of the banks. This law is an important step forward in the modernization of the legal infrastructure of the regulatory framework of the banking sector. Similarly, the strengthening of prudential standards and consolidation of the banking sector help strengthen economic governance. The new law relating to the strengthening of OPCVM also helps reinforce transparency in the sector. Finally, the restructuring/liquidation/privatization of public and parastatal enterprises has eased the rigidity of the economic system and lightened the burden of the public sector, thus contributing to better economic governance.

5.5 Assessment of Programme Risks

5.5.1 The appraisal report had identified three main risks that were likely to have a negative impact on the implementation of the programme: (i) possible weakening in the political will of the authorities to pursue and deepen the reforms; (ii) the absence of favorable international economic conditions, preventing the achievement of the programme's macro-economic forecasts; and (iii) breaking the social consensus.

5.5.2 The Tunisian government has demonstrated its determination to pursue the reforms; it has implemented almost all measures under the programme, even after its implementation period, by pursuing them within the context of new programmes, in particular PAC II. Ownership of the programme by the authorities and the government administrative structures was exemplary, despite numerous difficult measures. In addition, the international economic context was certainly difficult, preventing the achievement of some of the macroeconomic objectives. Nevertheless, thanks to the reforms and to prudent policies, Tunisia was able to overcome these external shocks to achieve satisfactory economic performance, in line, overall, with the programme forecasts. The macroeconomic framework was consolidated and stabilized. With respect to the third risk, ownership of reforms by the government and its political will helped avoid the social risk.

VI. SUSTAINABILITY OF PROGRAMME IMPACTS

The sustainability of the impacts of PAC I depends on the effective implementation of the measures taken, and especially, on the level of ownership of the reforms. It is worth noting that the reforms implemented under PAC I stem, for the most part, from the work of the government, enriched by the contribution of Tunisia's development partners. Regulatory frameworks incorporating international standards were put in place and the institutions operating in the sectors concerned quickly adapted to the new provisions, thus helping improve their management capacity. Specific measures taken, such as the settlement of the outstanding payments on the outstanding debts of public and parastatal enterprises, were supported by the liquidation, restructuring, or privatization of 49 enterprises concerned by these debts, making it possible to limit their impacts to the macroeconomic level. These measures were also supported by the strengthening of the legal and regulatory framework thanks to the amendment of the law on public enterprises and the increase in the capital adequacy ratio of banks, which strengthened the foundations of the economic system and allowed the modernization and adaptation of the Tunisian economy to the global economic context. PAC I thus helped bring about deep changes in Tunisia's economic policies, part of the needed improvement of the competitiveness of the economy. The continuation of these reforms thus depends on the long-term development strategy, adopted by the government, in the context of its successive development plans for controlled integration of the Tunisian economy into the global economy.

VII. PERFORMANCE OF THE BANK, THE BORROWER AND CO-FINANCIERS

7.1 Performance of the Bank

7.1.1 The PAC I was in line with the Bank's strategy for Tunisia for 1997-1998. The programme design is based primarily on the preparatory work done by the Banking System Modernization

Commission, although the Bank, like other partners, helped enrich the programme and refine its configuration through economic and sector work, prior to its formulation. The Bank, the World Bank, and the European Union collaborated closely during the design phase of the programme through several exchanges of information and through three missions. Joint negotiations were held with the World Bank in February 1999. In a bid to harmonize coordination, the Bank and the World Bank chose the option of disbursement in two tranches subject to the same conditions. The performance of the Bank during preparation of the loan was deemed satisfactory. The appraisal of the programme and the implementation of the loan were deemed satisfactory and were done within an acceptable time frame, in cooperation with all partners involved, through exchange of information and joint missions. Although measures relating to the restructuring and privatization of enterprises are difficult to implement given the sensitivity of these issues, the programme was well designed and comprised specific restructuring operations supported by measures to reform the legal and regulatory framework, with the exception of measures concerning the merger of UIB and BTEI. However, during the implementation of PAC I, suitable solutions were found.

7.1.2 The Bank's monitoring of the programme, through three joint supervision missions with the other cofinanciers, was satisfactory. To avoid interruption of the programme— because of some complex conditions and measures— it demonstrated flexibility, by easing some complex conditions, prioritizing progress made in the implementation of programme reforms. Overall, its performance was satisfactory.

7.2 Performance of the Borrower

7.2.1 Well before the preparation of the programme, the government had already designed a banking sector restructuring and modernization programme; this facilitated the identification and preparation of reforms included in PAC I. It identified the critical aspects of the financial sector that required reforms and collaborated with donors to define and implement appropriate measures. The programme was well managed, and difficulties were actively resolved with the proposal of alternative and acceptable solutions to advance the programme (for example, the condition relating to the UIB/BTEI merger, where the government took the initiative to privatize UIB). Thus, despite the significant number of conditions that are often the most difficult to achieve, nearly all the conditions were fulfilled. The three conditions that had not been fulfilled according to the loan agreement, nevertheless, saw their ultimate objectives achieved through alternative measures, and, consequently, they were considered fulfilled on the technical front by donors.

7.2.2 Concerning monitoring, audit reports were regularly submitted. The implementation of measures was monitored by the Forecasting Directorate (Direction de la Prévision) in the MDCI, which has the necessary expertise and played an active role in the design and implementation of the programme. It also succeeded in implementing difficult measures through good coordination of administrations. The quality of its human resources was an asset during PAC I implementation. The performance of the Borrower was highly satisfactory with respect, especially in light of the scope of the reforms implemented.

7.3 Performance of Cofinanciers

All cofinanciers collaborated closely with each other, and with Tunisian authorities, during all phases of the programme. The economic and sector work carried out ensured sound project formulation. During the implementation of the programme, they organized joint missions and exchanged information and documents on their assessment of the implementation status of reforms. The performance of co-financiers was deemed satisfactory.

VIII. OVERALL ASSESSMENT OF PROGRAMME

In light of the foregoing, the overall assessment of the programme is considered highly satisfactory. Cofinanciers and the government also deemed the programme satisfactory. It had a positive impact on the banking sector by improving the financial situation of banks. It helped initiate state withdrawal from the banking sector (49 public enterprises liquidated, restructured, or privatized) and modernization of the financial sector. International financial markets have recognized the efforts undertaken by the Tunisian authorities to reform the financial and private sectors and to transform the Tunisian economy into an open and competitive economy capable of facing international competition.

IX. CONCLUSION, LESSONS LEARNT AND RECOMMENDATIONS

9.1 Conclusion

9.1.1 The PAC reforms were implemented thanks to the strong ownership and political will of the Tunisian government. The cofinanciers coordinated their efforts and collaborated very closely to ensure the success of this joint programme. The reforms undertaken helped reorganize and consolidate the banking sector, modernize the financial sector, in particular, through the revitalization of the Treasury securities' markets, and restructure their public enterprises. The consolidation of the banking sector resulted in improved intermediation, increased mobilization of resources, and more effective capital allocation. The programme also allowed the strengthening of the legal and regulatory framework as well as the role of the Central Bank of Tunisia (Banque Centrale de Tunisie - BCT), thus facilitating the pursuit of the reforms, which are in line with the long term development strategy adopted by Tunisia under its successive development plans. Thus the NPL rate fell from 23% in 1997 to 21.6% in 2000, credit to the economy rose from 8.5% in 1999 to 10.3% in 2001, market capitalization increased from 10.8% in 1998 to 14.8% in 2000. All these elements helped improve macroeconomic performance, leading to 4.7% GDP growth in 2000, with inflation rates and budget deficits under control. Overall, the performance of PAC I was deemed highly satisfactory and had a positive impact on the economic and social development of Tunisia.

9.1.2 At the end of the programme, some challenges still had to be met, to ensure the sustainability of programme impacts. The achievements of PAC I were strengthened under PAC II, which took into account several measures aimed at reforming the insurance sector's legal and regulatory framework as well as components focused on the competitiveness of the private sector, including the business environment, corporate governance, privatization, and new information technologies. It is supported by the same cofinanciers, namely, the Bank, the World Bank, and the European Union.

9.2 Lessons Learnt

The following key lessons can be learned from the implementation of PAC I:

- (i) The government's political will and programme ownership are determining factors for the effective implementation of reforms.
- (ii) The targeting and concentration of measures according to interactions and the sequencing of reforms over a limited number of sectors helped achieve good performance;
- (iii) Close coordination among cofinanciers as well as their financial and technical contribution, especially in the conduct of economic and sector work during the design phase of the programme, helps ensure the quality of the programme design, and, subsequently, its implementation performance;
- (iv) The flexible attitude of cofinanciers, in particular with respect to fulfilling conditions, makes it possible to adapt reforms to initially unanticipated constraints. However, delays in obtaining waivers are relatively long—two and a half months; and
- (v) Conditions relating to privatization or mergers should be reviewed in a thorough and prudent manner, taking into account the effect of external factors on the Government's initial political will.

9.3 Recommendations

For the Bank

- (i) verify the technical feasibility of each condition and each measure during the programme's preparatory phase, in consultation with all partners and the Government, to avoid possible obstacles and the need for waivers, which cause delays during programme implementation (§ 3.2.2-3.2.3);
- (ii) Simplify waiver procedures, giving more flexibility and weight to technical considerations (§ 3.2.3);
- (iii) Where necessary, identify and conduct specific sector studies prior to the formulation of the programme (§ 7.1.1 et 7.3);
- (iv) Continue using the joint programme approach to support a programme of such magnitude (§ 7.1.1 and 7.3); and
- (v) Maintain assistance for reforms to deepen the impacts of the programme and to support the transformation of the economy with a view to its integration into the global economy (chapter 6).

For the Government

- (i) Take into account factors external to political will, especially when it concerns privatization or mergers, making it a condition for disbursement (§ 3.2.2);
- (ii) Pursue financial sector reforms such as the consolidation of the banking and insurance sectors and of public enterprises (§ 4.3 and chapter 6); and
- (iii) Maintain the political will or the ownership of reforms by the administrations in order to pursue efforts aimed at integrating into and adapting to the global economy (chapter 6).

**TUNISIA
ADMINISTRATIVE MAP**



This map was provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgment concerning the legal status of a territory nor any approval or acceptance of these borders.

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

PERFORMANCE OF THE BORROWER

<u>Component Indicator</u>	<u>Rating</u> (1 to 4)	<u>Remarks</u>
1- Adherence to time schedule	3	Most programme measures were implemented on time. Waivers were granted for two conditions, but delayed the disbursement of the second tranche, which was released eight-months after the planned date. These measures were implemented after the period covered by the programme or with changes
2 Adherence to cost schedule	Not applicable	
3 Compliance with loan Conditions/Covenants	3	Most conditions were implemented; some with delay owing to their complexity. This was also the case with some measures whose complexity required some flexibility to be considered fulfilled
4 Adequacy of Monitoring, Evaluation and Reporting	3	Monitoring and evaluation were in compliance with contractual arrangements. The audit report was submitted regularly.
5 Satisfactory Operations	Not applicable	
TOTAL	8	
Overall assessment of implementation performance	3	Highly satisfactory

Overall Rating: N

- 3<N<4: Highly satisfactory
- 2<N<3: Satisfactory
- 1<N<2: Unsatisfactory
- N<1: Highly unsatisfactory

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

PERFORMANCE OF THE BANK

<u>Component Indicator</u>	<u>Rating</u> (1 to 4)	<u>Remarks</u>
1- At Identification	2	PAC I was identified in 1997 by a joint Bank, World Bank, and European Union mission. The programme was one of the national priorities and was in line with CSP recommendations.
2 At Preparation	2.5	The three institutions conducted a joint preparation mission in March 1998. The programme was well prepared. Conducting preliminary studies on sensitive measures would have improved the performance of the programme
3 At Appraisal	3	The appraisal benefitted from exchange of information with the World Bank and the European Union. It was conducted in November 1998. The programme was well designed but the targeting of measures could have been improved.
4 At Supervision	2.5	The Bank conducted three joint supervision missions, which allowed satisfactory monitoring of the implementation of reforms and execution of the programme.
TOTAL	10,5	
Overall Assessment of Implementation Performance	2.5	Satisfactory

Overall Rating: N

- 3<N<4: Highly satisfactory
- 2<N<3: satisfactory
- 1<N<2: Unsatisfactory
- N<1: Highly unsatisfactory

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)
OVERALL PERFORMANCE OF THE PROGRAMME

	<u>Component Indicator</u>	<u>Rating (1 to 4)</u>	<u>Remarks</u>
1.	Relevance and Achievement of Objectives	3.125	Highly satisfactory
i)	Macro-economic Policy	3	The objectives of the programme were relevant to respond effectively to the challenges Tunisia had to face. PAC I was underpinned by the long-term development strategy adopted by Tunisia in the context of its successive development plans and it was designed with the perspective of helping Tunisia integrate the global market. The design and implementation of programme reforms were done within the framework of the Ninth Plan, and were underpinned by prudent and sound policies which helped improve and strengthen macroeconomic policies and the macroeconomic framework.
ii)	Sector Policy	3.5	The programme was focused on consolidating and strengthening the banking and financial sector by reinforcing the legal and regulatory framework, and gradually promoting regulation of the sector by market mechanisms.
iii)	Physical Component (including production)	N.A.	
iv)	Financial Component	NA	
v)	Poverty Reduction, Social Impact and Gender	3	Improve services in the insurance sector and, in particular, improve protection of the insured through the insurance guarantee fund in case of insolvency of insurance companies. Protection of public savings invested in the OPCVM through prudential rules and better information for investors. All these factors had a positive social impact and contributed substantially to the reduction of poverty, with women as beneficiaries. Thus, the proportion of the economically vulnerable decreased from 9 to 6% of the population between 1995 and 2000, while poverty declined sharply from 13% in 1980-1985 to 4.1% in 2000.
vi)	Environment	NA	
vii)	Private Sector Development	3	Increased role of institutional investors, thus fostering financing of the private sector. The consolidation of the banking sector will result in better financial intermediation, enhanced mobilization of resources, and more effective capital allocation.
2.	Institutional Development	3.25	Highly satisfactory
i)	Institutional Framework	3.5	The programme has helped strengthen the legal and regulatory framework as well as the role of the Central Bank of Tunisia (BCT), consolidate the banking system, develop the non-banking financial market by introducing new instruments, and restructure/privatize public enterprises.
ii)	Management and Financial information Systems, including Audit Systems	NA	
iii)	Transfer of Technology	3	Teleclearing was introduced allowing rapid completion of transactions
iv)	Staffing by Qualified Persons (including turnover) training and counterpart staff	NA	.
3	Sustainability	3.5	Highly satisfactory

	<u>Component Indicator</u>	<u>Rating (1 to 4)</u>	<u>Remarks</u>
i)	Continued Borrower Commitment	3.5	The government demonstrated strong commitment and took ownership of the reforms right from the design phase, while showing a strong determination to implement them.
ii)	Environmental Policy	N.A.	
iii)	Institutional Framework	3.5	The reforms have consolidated the institutional framework fostering better economic performance and in preparation for a more open economy in the context of globalization.
iv)	Technical Viability and Staffing	N.A.	
v)	Financial Viability including Cost Recovery Systems	N.A.	
vi)	Economic Viability	3.5	Macroeconomic fundamentals have been consolidated and reforms launched to bring about long-term changes on the key components of the Tunisian economy, namely the financial sector (banking and non-banking) and the public sector
vii)	Environmental Viability	N.A.	
viii)	Operation and Maintenance Facilitation (availability of recurrent funding, foreign exchange, spare parts, workshop facilities, etc.)	N.A.	
4	Internal Rate of Return	N.A.	
	Overall Assessment of Outcome	3.29	Highly satisfactory

Overall Rating: N

- 3<N<4: Highly satisfactory
- 2<N<3: Satisfactory
- 1<N<2: Unsatisfactory
- N<1: Highly unsatisfactory

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

Macroeconomic Indicators 1997-2001

	(in %)				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Real GDP Growth rate	5.4	4.8	6.1	4.7	4.9
Inflation rate	3.7	3.2	2.7	2.9	1.9
Fiscal balance/GDP	-3.9	-2.5	-2.2	-2.9	-2.8
Current account /GDP	-3.1	-3.4	-2.1	-4.2	-4.3
Annual export growth rate per year	10.1	4.4	4.7	6.6	14.4
Annual import growth rate	8.7	5.7	3.0	9.6	13.6
External debt/GDP	60.7	56.8	59.7	59.7	60.3
M2/GDP	48.6	47.5	51.5	54.5	55.8
Debt/Exports	124.6	115.9	122.0	111.7	103.3

OBJECTIVE	FIRST TRANCHE	RESULTS	SECOND TRANCHE	RESULTS
	<p>be excluded from the taxable income up to the amount of the bank's provisioning shortfall</p> <p>increase in the tax deductibility of provisions from 50% to 75% of taxable income</p> <p>Clarification of the sovereign guarantee and of the conditions related to its use</p> <p>Introduction of tax measures that promote the assignment of debts to collection</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>Tabling before the Chamber of Deputies of the Bill relating to improvement of legal provisions and judicial proceedings relating to debt recovery;</p>	<p>Waiver</p>
<p>Strengthen prudential regulation</p> <p>Lay the bases for a new profile of the banking system</p>	<p>Increase of the capital adequacy ratio from 5 to 8% in compliance with international standards</p> <p>Adoption of the new accounting plan in accordance with international standards, including consolidated financial statements</p> <p>Presentation of the main characteristics of the banking law, this covers, in particular: Single license; the capacity of banks to create subsidiaries in the area of financial services; the obligations and responsibilities of the board of directors and their members; prudential measures</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>Compliance by public banks with the 8% standard</p> <p>Implementation of the new accounting plan, including consolidated financial statements</p> <p>Submission to the Chamber of Deputies of the new banking law</p>	<p>Done</p> <p>Done, partially</p> <p>Done</p>

OBJECTIVE	FIRST TRANCHE	RESULTS	SECOND TRANCHE	RESULTS
	<p>Launching of the process to select the firm responsible for the valuation of the assets of BTEI and UIB in view of their merger</p> <p>Declaration of the government to privatize the new bank resulting from the merger</p> <p>Government's decision to undertake the study aimed at merging BDET, BNDT and STB</p>	<p>Done</p> <p>Done</p> <p>Done</p>	<p>Privatization of UIB-BTEI through international competitive bidding</p> <p>Recruitment of a firm to evaluate and propose conditions for merging the BDET/BNDT/STB banks</p> <p>Abolition of the 34% threshold reflecting the compliance of all banks with the code of enterprises</p> <p>Implementation of teleclearing and of the information database</p>	<p>Waiver</p> <p>Done</p> <p>Done</p> <p>Done</p>
<u>III. PRIVATIZATION/ LIQUIDATION/ RESTRUCTURING PUBLIC AND PARASTATAL ENTERPRISES</u>	<p>Privatization and liquidation of 24 of the 29 public enterprises affected by the government regulation of delinquent loans</p>	<p>Done</p>	<p>Government decision to privatize or liquidate 20 public and semi-public enterprises involved in the settlement of delinquent loans</p>	<p>Done</p>
<u>IV. TREASURY SECURITIES' MARKET</u> Develop a secondary market for the internal public debt	<p>Replacement of fixed rate tenders with price auctions for treasury securities</p> <p>Licensing of primary dealers (Spécialistes en Valeurs du Trésor)</p>	<p>Done</p> <p>Done</p>	<p>Launching of BTAs</p> <p>BTA/BTC merger mode</p> <p>Introduction of BTAs at the STICODEVAM for their clearing and delivery under the supervision of the BCT</p>	<p>Done</p> <p>Done</p> <p>Done</p>
<u>V. MONEY MANAGEMENT INSTRUMENTS</u> Promote market instruments for BCT interventions			<p>Acceptance of all creditworthy securities at BCT auctions</p>	<p>Done</p>

OBJECTIVE	FIRST TRANCHE	RESULTS	SECOND TRANCHE	RESULTS
Modernization of payment systems			Revision of the BCT law to allow it to conduct open market transactions	Done
<p><u>VI. STRENGTHEN INSURANCE COMPANIES AND OPCVM</u></p> <p>Strengthen the operations of SICAVs and the professionalization of their management</p> <p>Improve the soundness of insurance companies and increase the mobilization of savings through life insurance products</p>	Introduction of tax measures to promote life insurance	Done	<p>Submission to the Chamber of Deputies of a new law on OPCVMs</p> <p>Adoption of a new chart of accounts</p> <p>Adoption of new prudential rules in a convergent manner with international standards</p> <p>Recapitalization of Lloyds.</p>	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

List of the 29 Companies Concerned by the First Tranche
(Amount in millions of Tunisian Dinars - MTND)

Enterprises	Activity	Amount to settle
Enterprises benefitting from consolidation with a joint Government guarantee		86,505
Agence Foncière Industrielle (AFI)	Industrial area	15,402
Société Nationale de Cellulose et de Papier Alfa (SNCPA)	Chemicals	54,701
Scte Tunisienne de Construction et de Réparation Mécanique Navale (SCOMENA)	Ship building and repairs	11,691
Société Tunisienne de Chaux	Chemicals	4,711
Cash Payment		
Cimenterie de Djebel El Ouest (CJO)	Cement factory	48,19
Debt buyback by the government and consolidation		144,46
Maison Tunisienne d'Edition (STD)	Edition	5,27
Scté EL ANABIB	Bricks and tiles	5,65
Mine USINE	Agriculture and Equipment	5,76
Sctete Immobilière Kassérine	Tourism	2,30
Scté Industrielle d'accessoires et de lignes électriques (SIALE)	Electrical appliances	1,70
Société Tunisienne d'Expansion Minière (SOTEMI)	Mining	1,79
Entreprise Maritime Const et Réparation Navale	Shipbuilding and repairs	1,72
Scte Tunisienne d'Entreprise (STE)	Building	1,69
Société de Transport de Marchandises (STM)	Transport	1,46
Scté Production Articles Artisanat	Crafts	1,10
Office de Mise en Valeur de la Vallée de la Médjerda	Agriculture	2,54
Office de Mise en Valeur des périmètres irrigués de Nabeul	Agriculture	1,88
Office de Mise en Valeur des périmètres irrigués de Nebhana	Agriculture	1,37
Société Minière et Métallurgique de Tunisie (SMMT)	Mining	8,28
Compagnie Touristique Arabe (CTA)	Tourism	37,10
Société d'Elevage Tabarka	Livestock	25,99
Economie Mixte d'Aménagement	Agricultural planning	7,20
Tannerie du Nord Jouloud	Leather	3,16
Bâtiments Travaux du Maghreb (BTM)	Public works	8,29
Société Minière de Spathe Fluor et de la Barytine	Mining	3,23
Société de Distribution et de Services	Furniture	5,71
Société Robinetteries Sanitaires	Plumbing	3,57
Société ETHIMAR	Agricultural services	2,78
Les Fonderies Réunies	Smelting	4,16
TOTAL		279,15

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)
List of Banks Concerned by the First Tranche
(Amount in MTND)

		Credits by disbursement						Commit. by signature (4)	Total Commit. (5)=(3)+(4)	Participation (6)	Total Assistance (5)+(6)	Amount to Settle
		Outstanding payments					Total (3)= (1)+(2)					
Bank	Number of loans	Outstanding amount not due (1)	Principal	Interest	Interest on arrears	Total (2)						
BNA	20	14,378	63,471	8,891	8,132	80,494	94,872	10,208	105,080	0,011	105,080	96,948
STB	16	36,118	9,125	0,335	0	9,460	45,578	15,442	61,020	0	61,020	61,020
BS	12	7,449	10,832	1,671	0	12,503	19,952	0,009	19,961	0	19,961	19,961
UIB	8	4,597	2,070	0,005	0	2,075	6,672	12,575	19,247	0	19,247	19,247
BDET	6	0,39	10,583	7,204	12,184	29,971	30,361	0	30,361	2,186	32,547	18,177
BTEI	1	8,300	5,050	3,125	3,136	11,311	19,611	0	19,611	0	19,611	16,475
BTKD	4	0,084	8,824	5,108	10,958	24,890	24,974	0	24,974	1,029	26,003	14,016
BTQI	2	5,594	0,50	1,474	3,265	5,239	10,833	0	10,833	1,432	12,265	7,568
BNDT	1	0	6,000	0	2,617	8,617	8,617	0	8,617	2,117	10,734	6,000
BFT	3	2,689	0,049	0	0	0,049	2,738	2,500	5,238	0	5,238	5,238
BIAT	7	4,019	0,468	0,072	0	0,540	4,559	0,310	4,869	0	4,869	4,869
STUSID	1	0	3,000	0,919	3,311	7,230	7,230	0	7,230	0	7,230	3,919
BTL	1	0	1,618	0	0	1,618	1,618	0	1,618	0	1,618	1,618
AMEN BANK	3	1,165	0,437	0	0	0,437	1,602	0	1,602	0	1,602	1,602
BT	5	0	1,287	0	0,385	1,672	1,672	0	1,672	0	1,672	1,208
UBCI	3	0,520	0	0	0	0	0,520	0,489	1,009	0	1,009	0,767
ATB	2	0,175	0	0	0	0	0,175	0,030	0,205	0	0,205	0,031
Total	95	85,478	123,314	28,804	43,988	196,106	281,584	41,563	323,147	6,775	259,333	279,159

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)
List of the 29 Companies Concerned by the Second Tranche
(Amount in MTND)

	Enterprises	Type of activity	Amount to settle
1	Scté Nationale de Motoculture (SONAM)	Activity related to agriculture	9,978
2	SCTE BATIMENT	Construction material	8,056
3	STE EL LOUHOUM	Meat and Livestock	7,186
4	SCTE de FAIENCERIE TAJEROUINE	Ceramics	9,325
5	SACEM	Electro-mechanics	11,829
6	Atelier de Construction Métal. et de Maint. GABES	Engineering goods	11,415
7	Société Tunisienne des Industries Laitières (STIL)	Dairy products	76,756
8	Ets Louis Montenay	Mechanized agriculture	13,178
9	SOTUTOUR		6,877
10	Société de Développement Agricole et de dattes (SODAD)	Production of dates	37,479
11	Société EL KHANAOUET	Pipes	31,818
12	Société de Tissage de Moknine	Textiles	23,978
13	Société des Fonderies et des Mécaniques (SOFOMECA)	Smelting works	21,578
14	Société des Industries Textiles Réunies (SITER)	Textiles	12,715
15	Société Tunisienne de Tréfilage (MAKLADA)	Wire-drawing	11,144
16	SAHARA PALACE	Hotel	22,396
17	Société de Commerce International de Tunis (SCIT)	Export promotion	16,126
18	Coopérative Centrale des Grandes Cultures (CCGC)	Cereals	47,132
19	Coopérative Centrale des Semences et des Plantes Sélection	Distribution of cereals	10,192
20	Coopérative Centrale du Blé	Cereals	20,332
	Total		409,490

TUNISIA
COMPETITIVENESS SUPPORT PROGRAMME I (PAC I)

List of Banks Concerned by the Second Tranche

		Credit by disbursement					Commitment by signature (4)	Total Commitment. (5)=(3)+(4)	Participation (6)	Total outstanding (5)+(6)	Amount to settle	
		Outstanding amount not due (1)	Outstanding payments			Total (2)						Total (3)= (1)+(2)
Bank	Number of loans	Outstanding amount not due (1)	Principal	Interest	Interest on arrears	Total (2)	Total (3)= (1)+(2)					
BNA	15	169,855	16,418	5,277	3,724	25,419	195,274	51,768	247,042	15,408	262,450	243,318
STB	10	28,539	10,106	0,658	0	10,764	39,303	13,203	52,506	0	52,506	52,506
UIB	6	5,968	7,357	0,033	0	7,390	13,358	6,811	20,169	0	20,169	20,169
STUSID	5	2,933	7,222	8,437	7,057	22,766	25,699	0	25,699	7,227	32,926	18,642
BDET	7	2,751	5,869	4,896	6,485	17,250	20,001	0	20,001	0,69	20,691	13,516
BS	6	0,303	11,807	0,002	0	11,809	12,112	0	12,112	0	12,112	12,112
BTEI	2	5,269	3,873	2,323	2,304	8,500	13,769	0	13,769	2,500	16,269	11,465
BTKD	4	3,523	4,472	3,163	2,111	9,746	13,269	0	13,269	9,946	23,215	11,158
BTQI	4	0,848	5,672	3,564	5,996	15,232	16,080	0	16,080	1,603	17,683	10,084
BT	6	3,123	0,473	0	0,318	0,791	3,914	0,435	4,349	0	4,349	4,031
BTL	3	1,102	1,685	0,772	1,108	3,565	4,667	0	4,667	1,465	6,132	3,559
UBCI	5	2,912	0,121	0,013	0	0,134	3,046	0,042	3,088	0	3,088	3,088
BIAT	6	1,581	0,861	0,182	0	1,043	2,624	0,09	2,633	0,068	2,701	2,633
BEST BANK	1		0,962	0,530	0,698	2,190	2,190	0	2,190	1,027	3,217	1,492
BFT	2	0,914	0,154	0	0	0,154	1,068	0	1,068	0	1,068	1,068
ATB	2	0,404	0,037	0	0,002	0,057	0,461	0,056	0,517	0	0,517	0,497
AMEN BANK	1	0,152				0	0,152	0	0,152		0,152	0,152
Total		230,177	77,089	29,900	29,821	136,810	366,987	72,324	439,311	39,934	440,647	409,490