

Document of
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RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
TUNISIA WATER SUPPLY PROJECT
LOAN IBRD 7339-TN

November 17, 2005

TO THE
SOCIETE NATIONALE D'EXPLOITATION ET DE DISTRIBUTION DES EAUX
(SONEDE)

WITH THE GUARANTEE OF THE REPUBLIC OF TUNISIA

June 26, 2012

ABBREVIATIONS AND ACRONYMS

ONAS Office National de l'Assainissement
SONEDE Société Nationale d'Exploitation et de Distribution des Eaux

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TUNISIA

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RESTRUCTURING PAPER

ANNEX 2: Reallocation of Proceeds

TUNISIA — URBAN WATER SUPPLY PROJECT
P064836
LOAN NUMBER IBRD 7339-TN

Restructuring Paper

1. Proceeds for *Tunisia Urban Water Supply Project, Loan IBRD 7339-TN, P064836* will be reallocated as follow:

Category of Expenditure in Euro	Allocation		% of Financing
(1) Treatment Works (Turnkey, design-build)	9,200,000	11,616,300	100%
(2) Works	9,800,000	8,195,000	100%
(3) Goods	10,000,000	7,488,000	100% of foreign expenditures, and 100% of local expenditures
(4) Technical Assistance and training	1,922,500	3,623,200	100%
(5) Front-end Fee	77,500	77,500	
(6) Premia for Interest Rate Caps and Interest Rate Collars	0	0	Amount due under Section 2.09(c) of this Agreement
TOTAL	31,000,000	31,000,000	

1. **Implementation Progress.** Despite a slow start in the first four years due to delays related to the contracting of large civil works in Greater Tunis (new treatment plant and main adduction line rehabilitation), the implementation of the project activities is progressing well since 2010 and all activities will be completed by the new closing date, including the civil works and institutional components.

2. The proposed reallocation is necessary to allow the financing of additional meters as SONEDE is planning to replace the 250,000 existing meters and would like to use the

uncommitted loan balance to implement the first phase of its overall replacement program.

**ANNEX 3: Extension of Closing Date
and
Decrease of the Minimum Application Size**

*TUNISIA — URBAN WATER SUPPLY PROJECT
P064836*

LOAN NUMBER IBRD 7339-TN

Restructuring Paper

1. The closing date for *Tunisia Urban Water Supply Project, Loan Number IBRD 7339-TN, P064836* will be extended from June 30, 2012 until April 30, 2014.
2. The implementation of the project is progressing well and the project objectives continue to be achievable as all project activities will be completed by the new closing date.
3. There are no pending audits and the compliance with fiduciary requirements as stipulated under Section 2.05 of the Loan Agreement is satisfactory.
4. The proposed extension is necessary to allow the installation of a new IT customer system to be operated jointly by ONAS and SONEDE. The procurement process was rather complex and involved special procedures for turn-key IT system and which required additional assistance. The Bank provided considerable technical assistance including financing international experts to assist the Borrower in drafting the bidding documents. Following a long tender process, the contract was finally awarded in January 2011. The installation is now proceeding at full speed and the system will be fully installed by April 14, 2014. The proposed extension of the closing date to the new date will therefore allow the completion of the installation of this IT customer system. The Borrower has submitted a revised disbursement plan.
5. A new action plan is not necessary as the additional 22 months are required to successfully complete the execution of one ongoing activity under the institutional component.
6. This will be the first extension of the project.
7. **Amendment to the disbursement letter.** Following the launch of e-disbursement, a letter confirming the grace period the minimum withdrawal application size and the use of electronic delivery will be shared with the Borrower. Since the project is in its final phase of implementation and given the level of commitment of the loan, the original minimum application value of €1,000,000 will be reduced to €500,000.