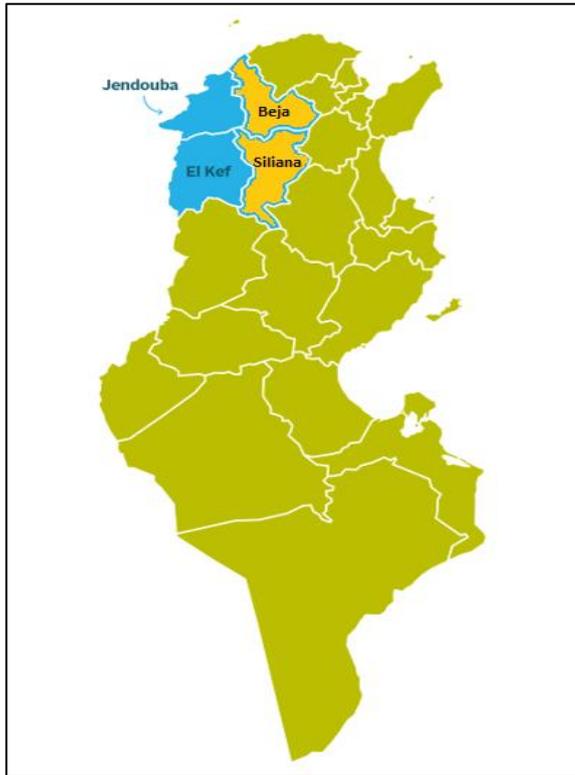


Second Round Questions and Answers for Market Segmentation

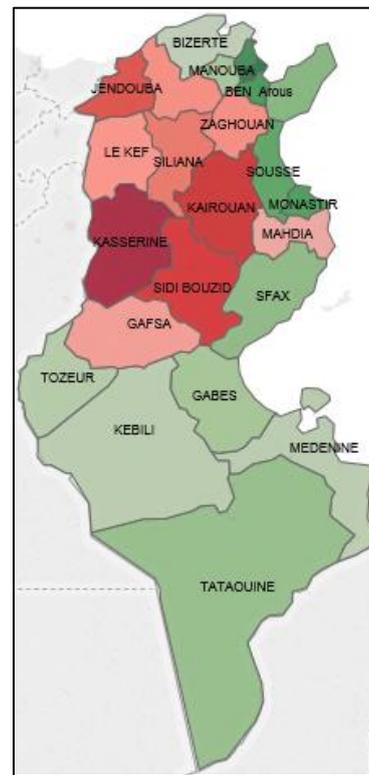
This document contains answers to questions received between April 5 and April 8, 2019.

Q1	<p>Question: It is noted that the Essential Oils and Natural Extracts industry support effort under ACEA was geographically focused on the Northwest of Tunisia. Is the handicrafts industry support effort under ACEA similarly focused on a specific region within Tunisia? And more specifically, could you kindly share the physical locations within Tunisia of the crafts producer groups that are being supported under the ACEA Project, either a map, or a list of the physical locations of the crafts producer groups being supported under the ACEA Project?</p>
A1	<p>The first phase of ACEA selected the Northwest of Tunisia, including the governorates of Siliana, El Kef, Jendouba and Béja as a focus for Value Chain #1 (essential oils), because the team had previously done a survey of this region, knew the key players already, saw the region as geographically feasible for cluster-building activities, and saw a potential opportunity to create a distinct regional brand. A map of the target region for VC #1 is appended on page 2, and an Excel file with detailed estimates of handicraft employment by region is uploaded on the site.</p> <p>The second phase of ACEA is not limited to any specific region. One of the considerations in selecting a second handicraft value chain will be the logistical and organizational trade-offs. If VC #2 happens to have a viable cluster overlapping the Northwest region, this would be a logistical advantage for the project, and there might also be advantages in building on the momentum gained in the past 16 months in developing the cluster organization. On the other hand, we may feel that, all other things being equal, it would be beneficial for our counterparts, the National Handicraft Office (ONAT), if we were to select a new region for VC #2, in order to start a second fresh cluster from the ground up.</p> <p>ACEA plans to evaluate these trade-offs in the coming months. When the selected Consultant delivers the draft Phase 1 report, ACEA will consider these among many factors. To the extent that highly attractive market segments are associated with particular regions in Tunisia, this will make the selection process easier. However, consultants are not responsible to research or understand the geographic nuances of regional handicraft specializations in Tunisia. Working with ONAT, ACEA will endeavor to provide consultants with all available knowledge on this topic, to the extent practicable.</p>

ACEA's Value Chain #1 Currently in Northwest Tunisia



Northwest, Center West & South of Tunisia are all 'target regions'



The "Interior" governorates of Tataouine, Sidi Bouzid, Tozeur, Gafsa, Kasserine, Medenine, Kebili, Jendouba, Kairouan, Siliana, Beja, and Le Kef are considered lagging regions, with higher poverty and unemployment rates. The "Coastal" governorates of Manouba, Tunis, Ben Arous, Mahdia, Sousse, Ariana, Nabeul, Bizerte, Gabes, Sfax, Zaghouan, and Monastir have generally higher incomes and lower unemployment rates. Accordingly, unless there is a strong reason to do so, most ACEA activities will not focus on the "Coastal" governorates.

Questions and Answers for Market Segmentation