

*1 – Generally speaking, what are the project developments that have taken place since the DESERTEC Foundation announced its endorsement of the project in January 2012? According to the Energy Outlook [article](#) on the Nur Energie website, «the project engineering and the project consortium will be ready in the second half of 2014, with project financial close scheduled for the first half of 2015.» Have these advancements been made as projected?*

Since 2012, TuNur has achieved significant milestones including:

- The Desertec Foundation has evaluated the project again and endorsed it in 2013 considering its compliance with DESERTEC environmental, socio-economic and technical standards (<http://tunur.tn/index.php/en/blog/158-once-again-tunur-is-in-conformity-with-desertec-foundation-principles.html>)
- On the permitting side, the project got preliminary approval from a technical commission (Commission des Grands Projets) at the level of the Ministry of Development and International Cooperation. Furthermore, a new project law on renewable energy allowing for export projects, has been approved by energy commission at the parliament and will need to be ratified in a plenary session. Such a law will allow the implementation of the TuNur project through concessional agreements with the Tunisian Government.
- Our solar data have been independently verified by a qualified company since February 2013.
- On the financial side, the African Development Bank has shared an Expression of Interest for project co-development and to be lead arranger for project finance. In addition, the project is backed by one of the largest UK solar funds, Low Carbon Ltd which is the main shareholder of Nur Energie (<http://www.nurenergie.com/index.php/news/99/66/Low-Carbon-invests-in-Nur-Energie-to-propel-the-global-adoption-of-utility-scale-clean-energy>)
- From the commercial side, we have received an indicative PPA offer from one major European Utility for 500MW.
- On the technical side, we have received 7 Expressions of Interest from the world's largest engineering and project management firms to become technical partner to the project. These companies have the technical skills and the experience of managing the construction of projects in different sectors (power, infrastructure, water...) even larger than TuNur.

Developments are also occurring in the CSP industry with the operation of the largest CSP plant in USA with 392MW (Ivanpah) starting operation in February 2014 and the start of commissioning of the 110MW CSP tower with storage in February 2014 (Crescent Dunes).

Taking into account the political situation in Tunisia and the government changes, the project will encounter a delay in its execution. Under the current timeline, the construction is scheduled for 2016 and the commercial operation by 2018.

*2 – Regarding the exportation of electricity to Europe; what is the primary reason for energy exportation (as opposed to autoconsumption)? Clearly, the fact that «Tunisian law prevents any company other than state electricity supplier from selling electricity in the country» (indicated in the DESERTEC press release) answers this question, but would the exportation of the energy produced still be a priority if the law were different? In other words, are the associated economic benefits of energy export so great for Tunisia that one hundred percent of the energy produced by TuNur is better designated for consumption abroad rather than for consumption within the country?*

TuNur is very interested to supply electricity to the local Tunisian network and has already offered to make available a percentage for local supply for free. However the current law does not permit TuNur to directly supply the Tunisian network, as this falls under the monopoly of STEG. In principle, TuNur can supply more electricity to Tunisia, if Tunisia requires, at a price to be determined.

Solar electricity is still more expensive than conventional energy and only in Europe does a market for “premium” green energy exist. The implementation of TuNur will contribute significantly to lowering the costs of solar energy in Tunisia, which will make it more competitive for Tunisian supply as well.

The project will provide socio-economic benefits to Tunisia. About 20,000 direct and indirect jobs are expected to be created throughout the supply chain of TuNur, of which ca. 1000 jobs will be created permanently for the operation and maintenance of the plant in the Kébili region.

Overall, the TuNur project will impact Tunisian industry throughout the different phases of project implementation, from conceptual design work, detailed engineering, financing, procurement, construction, and O&M. Many elements of the supply chain are based on standardized industrial components, for which Tunisian industry is well placed as a partner.

*3 – To what extent has the uncertain political climate affected project developments? In several projects involving foreign investors/companies in Tunisia, project developments are frozen or delayed due to bureaucratic/administrative inefficiencies. Have these sort of challenges come up in the realization of TuNur's activities and plans?*

We believe that the revolution has had some very positive impacts including the priority of regional development in the political agenda and also the transparency and dialogue that has been possible with different institutions. But we understand that the democratic process is a long process and we are confident that Tunisia will overcome certain barriers such as the bureaucratic and administrative inefficiencies. This is primarily due to the continuous changes at the government level which are the project counterparties and takes more time than scheduled.

*4 – Regarding project funding: are the African Development Bank and the World Bank Group still active in project evaluation? If so, how do their standards and requirements complement/contrast with the DESERTEC Foundation's evaluations? Is there any overlap with respective project evaluations and/or is it difficult to comply with both the Foundation's criteria and those of multilateral banks? Are there other institutions who contribute to project funding?*

The African Development Bank has recently provided us with an Expression of Interest to become co-developer of the project and be lead arranger for project finance through their Africa 50 fund. The World Bank is also still supportive of the project particularly through one of its institution MIGA. Also the WB is very supportive of the CSP deployment in MENA through its CTF fund.

The standards of multilaterals are in line with the DESERTEC Foundation standards as they all strive to achieve socio-economic development while respecting environmental principles.

The Project Sponsors are Nur Energie (UK based solar developer with projects across the Mediterranean countries), a group of Tunisian investors led by a leading oil and gas EPC company Top Oilfield Services and Low Carbon, one of UK largest solar funds. We are also in discussions with interested parties to expand the equity consortium members including major Utilities, IPPs and Grid Operators from Europe, Middle East and Asia, as well as Sovereign Wealth Funds, Insurance companies, Pension funds and infrastructure funds.