

# FACSIMILE

Office of the Director-General



Uniting against Poverty

The MENA Transition Fund  
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Subject: Endorsement of Tunisia's TUNEREP project

Tunisia's production of primary energy has fallen short of demand since early 2000 and for the last decade it has been importing natural gas and oil products. The recent downturn in the country's economy has brought to light the burden of energy imports on the external accounts of the country. Conscious of the growing threat of this dependence, Tunisia has launched and plans to accelerate programs of production enhancement and demand management. Energy efficiency measures have succeeded to reduce demand and direct uses towards solar and wind resources. Commendable results in this area have inspired the government to aim at a greater share of renewables in the energy mix of the country. Technology and cost developments offer opportunities for Tunisia to realise its substantial solar and wind potential.

The energy sector is largely state controlled and government subsidised. The government has initiated policies to encourage private sector involvement and reduce the impact of subsidies on the government budget. Advancements in this framework will help the country reach its overarching objective of ensuring continuous and affordable supply of energy products and energy services.

The TUNEREP project aims at taking stock and advancing the implementation of the government's plans to alleviate institutional and investment obstacles, which will enable the sector to play a fuller and more sustainable role in the development of the economy.

The OPEC Fund for International Development (OFID) is pleased to endorse the Tunisian Energy Reform Plan (TUNEREP) for funding by the Transition Fund of the Deauville Partnership.

With my highest consideration,

Suleiman J. Al-Herbish  
Director-General