

2016

Project Implementation Review (PIR)

of

PIMS 5182

Deployment of a Nationally Appropriate Mitigation Action in support of the Tunisian Solar Plan

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A. Basic Project and Finance Data

Project Implementing Partner:	National Agency for Energy Conservation of Tunisia
GEF Focal Area:	Climate Change - Mitigation
Country(ies)	(TUN) Tunisia
Project Start Date:	06-Jan-2015
Planned Project Closing Date:	01-Oct-2019
Total GEF Grant (U\$S)	\$ 3,652,968
GEF Grant Disbursed as of 30 June (U\$S):	\$ 124,901.99
Total Co-financing (as planned in CEO endorsement request):	\$ 65,382,640.00
Overall Risk Rating	High
Overall DO Rating	Moderately Satisfactory
Overall IP Rating	Moderately Satisfactory

B. Project Contacts and Links

Partner	Contact Name	Email Address
Project Coordinator / Manager	Imed Fadhel	imed.fadhel@undp.org
UNDP Country Office Programme Officer	Jihene Touil	jihene.touil@undp.org
Project Implementing Partner	Mrs. Rym Sahli, National Project Coordinator (ANME)	rymsahli@anme.nat.tn
GEF Operational Focal Point	Mrs. Sabria BNOUNI	sabria.bnouni@mineat.gov.tn
Other Partners		
UNDP Technical Adviser	Lucas Black	lucas.black@undp.org
UNDP Programme Associate	Burcu Dagurkuden	burcu.dagurkuden@undp.org

Project website, etc.	
Links to media coverage	<p>1) Link : http://www.webmanagercenter.com/actualite/economie/2015/09/09/166177/energie-demarrage-du-projet-nama-d-appui-au-plan-solaire-tunisien 2)Link : http://unictunis.org.tn/2015/09/07/atelier-de-demarrage-dun-nouveau-projet-du-pnud-tunisie-nama-dappui-au-plan-solaire-tunisien/ 3)Link : http://www.spectra.com.tn/french/presse_data/132/Energie+%3A+D%C3%A9marrage+du+projet+%C2%ABNAMA%C2%BB+d'appui+au+Plan+Solaire+Tunisien.html 4)Link : http://www.tuess.com/fr/tapfr/249809 5)Link : https://www.google.tn/search?q=nama+d%27appui+au+plan+solaire+tunisien&oq=nama+d%27appui+au+plan+solaire+tunisien&aqs=chrome..69i57j69i65.6486j0j7&sourceid=chrome&ie=UTF-8 6)Link : http://www.mrv.tn/nama-du-plan-solaire-tunisien/ 7)Link : https://www.nessma.tv/article/%D8%AA%D9%88%D9%86%D8%B3-%D8%AA%D8%B7%D9%84%D9%82-%D8%A8%D8%B1%D9%86%D8%A7%D9%85%D8%AC-%D8%A5%D8%AC%D8%B1%D8%A7%D8%A1%D8%A7%D8%AA-</p>

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<http://www.leconomistemaghrebin.com/2014/12/24/tunisie-pnud-64-mdt-au-profit-du-plan-solaire-tunisien/> 9Link
: <http://www.francophonieinnovation.org/articles/h/vision-innovante---investissement-du-secteur-prive-dans-les-enr---vision-innovante-tunisie.html> 10)Link : <http://africanmanager.com/tunis-6-mdt-du-pnud-a-l%C2%92anme/>
11)Link : <http://www.kapitalis.com/kapital/26535-le-pnud-va-aider-au-financement-du-plan-solaire-tunisien.html>

C. Project Summary

The key focus of the proposed GEF project is to capacitate Tunisia to implement the TSP to its full potential i.e. 30% renewable electricity generation by 2030 using PV, wind and CSP. A project-based, stand-alone approach, though useful, is not sufficient to achieve this ambitious target. The proposed GEF project will, instead, support the implementation of the TSP using NAMAs pertaining to the three technologies. It will put in place the institutional and policy frameworks necessary to coordinate and support the up-scaling of renewable electricity in Tunisia, as well as developing an architecture for developing these NAMAs. Besides these two technical assistance components, the project also encompasses an investment component to support two baseline investment projects to enhance their mitigation potential and to be framed as supported NAMAs.

D. Progress toward Development Objective

Objective/Outcome	Description	Description of Indicator	Baseline Level	Target Level at end of project	Level at 30 June 2016
Objective	To transform Tunisia's energy sector for achieving large-scale emission reductions through the deployment of a TSP NAMA.	A NAMA developed for the TSP	No NAMA for the energy sector	A NAMA developed for the TSP and submitted for registration with the UNFCCC NAMA Registry	0 The development of the TSP NAMA started on 7 March 2016. Technical progress is of 17%. The TSP NAMA is planned to be developed at 100% in September 2017.
		Quantity of renewable electricity generated by on-grid baseline projects (MWh/year)	No MRV system for monitoring GHG emission reductions in the energy sector	16.9 GWh/yr is generated by 10 MW PV plant at Tozeur; and 86.4 GWh/yr is generated by 24 MW wind farm at Gabes	0 The 10 MW PV plant at Tozeur and the 24 MW wind farm at Gabes are not yet operational. Regarding the 10 MW PV plant, this situation is mainly due to lengthy procurement processes at the public electricity and gas utility (Société Tunisienne de l'Électricité et du Gaz: STEG) in its capacity of the owner of this baseline project. The international tender to purchase and install the PV plant was launched by STEG in 2015 and still by June 2016 at the process of evaluation of the received offers. On the 24 MW wind farm, the situation is mainly due to the fact that the implementing ordinances of law n°2015-12 on electricity generation from renewable energies were not enacted. Indeed, Enerciel, in its capacity of owner of this baseline project, is still awaiting for the enactment of these instruments to start the realisation of the project.
		Quantity of direct GHG emissions resulting from the baseline projects and TSP NAMA (tCO ₂ /year)	Proposed Gabes and Tozeur RE plants become operational but with deficiencies (e.g. PV plant not designed for desert conditions; weak interface between RE plants and the national grid)	Emissions reductions: Total direct emission reductions of 218,900 tonnes CO ₂ e between 2016 and 2019	0 The 10 MW PV plant at Tozeur and the 24 MW wind farm at Gabes are not yet operational.

Outcome 1	The enabling conditions, methodologies and tools are developed for de-risking the national policy environment for implementing the Tunisian Solar Plan through a TSP NAMA	Number of committees established and operational	No high-level Inter-Ministerial TSP NAMA Committee	A high-level Inter-Ministerial TSP NAMA Committee is established	0 50% of progress in the activity of capacity building (initiated in February 2016) of PSC members and other representatives of involved institutions, to result in the establishment of a high-level TSP NAMA committee by December 2016.
		Energy sector system dynamics model developed and implemented	No cross-sectoral modelling tool exists to investigate the sustainable development (economic, social and environmental) dividends of the energy sector	A system dynamics model is developed and implemented for the energy sector	0 The launch of the procurement process to hire an expertise to set up a system dynamics model or equivalent to monitor and evaluate the sustainable development (economic, social and environmental) dividends of energy transition and climate change mitigation policies is planned for July 2016. It is expected that the activity will start in September 2016.
		Number of policy and financial de-risking instruments designed using DREI analysis and implemented	No methodology is used to quantify risks that hinder investments in RE, and to develop policy and financial de-risking instruments to promote large-scale private investments.	At least 4 policy and financial de-risking instruments have been developed using DREI analysis based on work initiated in the development of the project document	0 The DREI analysis is currently used in the framework of the activity related to the design and development of the TSP NAMA to develop the policy and financial de-risking instruments.
Outcome 2	A coherent climate finance framework is established for the development of the TSP NAMA to catalyse the transformational capacity of the TSP to generate large emission reductions.	Number of national guidelines	Guidelines and SD criteria exist for CDM projects but not for NAMAs	A set of guidelines and design criteria is developed for all NAMAs by the end of Year 1; a set of social and environmental safeguard guidelines is developed for all utility-scale RE by the middle of Year 2 based on international standards	A set of SD criteria and indicators for the TSP NAMA were developed in a consultative approach with key stakeholders in the framework of the activity related to the design and development of the TSP NAMA. The SD criteria were selected to adequately represent energy transition and INDC objectives. In addition, the selection was based on current context of NAMAs, international context on climate change and eligibility criteria to the Green Climate Fund (GCF). To do so, 10 criteria were developed, which cover economic, social, environmental (climate change mitigation, etc.), energetic and strategic dimensions.

		Number of technical codes	Low institutional capacity of MELPSD to act as the coordinating body and quality assurer for NAMAs in Tunisia	A grid code is approved by stakeholders and made publicly available by the end of Year 2	Ordinances related inter alia to rules on grid access (to be enacted as implementing instruments of law n°2015-12 on electricity generation from renewable energies) were prepared by the ministry of energy and mines and submitted for approval (by an inter-ministerial council). Although the project was not directly involved in this process, discussions were engaged in June 2016 with ANME (implementing partner) on the opportunity to support it (through the project) in developing a study on the STEG grid capacity to absorb renewable electricity. These discussions have to be followed by in-depth ones mainly with STEG, the ANME and the ministry in charge of energy to clarify the scope and the expected results of this study and its positioning vis-à-vis the TSP and the TSP NAMA implementation.
		Number of regulations	PPPs for developing RE projects do not exist	Modalities for PPPs are established in regulations, and the establishment of an IER is supported	Modalities for PPPs were established by law n° 2015-49 of 27 November 2015 related to PPPs contracts. This law determined the general framework of PPPs contracts, their principles, modalities of elaboration and conclusion, fulfilment regime and monitoring methods. In support to this new legal framework, which is in favour of boosting private investments in renewable energies, the project launched (in March 2016) the process of development of the regulatory component of the TSP NAMA under the activity related to the design and development of the TSP NAMA.
		Number of financial instruments to capitalise the Energy Transition Fund	No grid code for RES is available publicly to project developers	The ETF is supported with at least 3 new financial instruments	The ETF is still capitalised by limited public funds. Nevertheless, the process of identification of additional financial instruments to support ETF capitalisation is ongoing in the framework of the activity related to the design and development of the TSP NAMA. Otherwise, the project is making advocacy to support enacting of the original version of the regulatory text related to the management, replenishment and resources use modalities of the ETF. This original version was prepared

					in 2011 in the context of the UNDP-implemented project on the support to the quadrennial (2008-2011) programme on energy conservation in Tunisia.
			No energy regulator exists in Tunisia		
			FNME restructured into the ETF in January 2014 (Articles 67 and 68 of the Finance Law 2014). Diversified sources of capitalisation not sufficient to support the implementation of the TSP NAMA		
			No social and environmental safeguards are required under current legislation for projects with installed capacity below 300 MW		
Outcome 3	The TSP is operationalised by demonstrating a proof-of-concept energy NAMA with quantified GHG emission reductions.	Emission reductions from grid-connected wind and PV power	Baseline projects implemented with identified deficiencies	8,954 tCO2e/year from 10 MW PV plant at Tozeur (35,815 tCO2e between 2016 and 2019)	0 Progress towards the achievement of the target: During the PIR period, TORs were prepared to hire expertise in order to provide support and technical assistance services to the public electricity utility (Soci�t� Tunisienne de l'�lectricit� et du Gaz) for identifying, purchasing, and monitoring of installation of equipment for improving the performance of the Tozeur 10 MW PV baseline project in terms of renewable electricity and greenhouse gases (GHG) emission reductions. It is expected to start this activity during the 4th quarter of 2016.
		Number of households benefiting from electricity generated by wind and PV plants (households/year)	No MRV protocol / system for TSP NAMA	45,775 tCO2e/year from 24 MW PV plant at Gabes (183,100 tCO2e between 2016 and 2019)	0 Progress towards the achievement of the target: During the PIR period, TORs were prepared to hire expertise in order to provide support and technical assistance services to the private developer (Enerciel) of the Gabes 24 MW wind baseline project for identifying, purchasing, and monitoring of installation of equipment

					for improving the performance of this baseline project in terms of renewable electricity and greenhouse gases (GHG) emission reductions. It is expected to start this activity during the 4th quarter of 2016.
				Number of households benefiting from renewable energy by end of project: - 11,544 from PV; - 50,016 from wind	0 The achievement of this target is highly linked to the achievement of the two previous targets. Progress towards the achievement of the target: Elaboration of TORs to hire international or national specialised company to provide support and technical assistance services to the public and private developers of the two baseline projects for identifying, purchasing, and monitoring of installation of equipment for improving the performance of these baseline projects in terms of renewable electricity and greenhouse gases (GHG) emission reductions.

E. Annual Project Quality Assurance Assessment

Project Governance	
Are at least 40 percent of the personnel hired by the project, regardless of contract type, female?	N
Dates of Project Steering Committee/Board meetings during reporting period (30 June 2015 to 1 July 2016)	September 2015 November 2015
Did the Project Board function as intended this reporting period?	Y
Please add any comments on project governance.	The project is implemented with the national execution modality. It is managed by the Project Management Unit (PMU) that consists of a national project director and a national project coordinator from the executing agency. The PMU is supported by a UNDP project manager and a project assistant. The PMU was put in place mid-2015 and is the responsible for the project execution. The project high governing body is the Project Steering Committee (PSC). The PSC is fully involved in all phases of design and monitoring of the TSP NAMA architecture and components, in order to ensure the highest level of ownership. Two PSC meetings were organized since the project was launched (see dates above). In addition, two working groups to monitor the implementation of all outputs to be carried out under the achievement of the three outcomes are in the process of being established: the technical working group on the design and the development of the TSP NAMA (established and met on 27 April 2016 at the occasion of the 1st workshop on the output related to the design and the development of the TSP NAMA) and the working group on TSP and TSP NAMA financing. At its second meeting (held on 27 November 2015), the PSC succeeded to validate roles, functions and responsibilities within the project's decision-making structures, terms of reference of the PSC, and tentative 2016's work plan and budget.
Annual Work Planning	
Have project inputs been procured and delivered on time and budget this reporting period?	N
Will the project be able to close on time as planned?	Y
Please add any comments on annual work planning.	While UNDP has supported the executing agency (ANME) in the procurement of inputs related to expert services and in administering the required contracts, difficulties regarding the procurement and delivery on time of such inputs have been recorded during the reporting period. This is mainly due to the complexity of the activities to undertake which need a substantial time for developing and endorsement of required

	<p>TORs. In addition, some tenders launched to carry out these activities had to be postponed due to the lack of offers from service providers. Considering the net improvement, during the first half of 2016, in progress rate related to project implementation and at the end of 18 months of project's life, it is most likely that the project would be able to close on time as planned. Aware of the delays recorded in 2015, the PMU elaborated an ambitious but realistic 2016's work plan, which aims to launch the main studies and activities related to all the outputs of the project and start their implementation. In addition, the PMU elaborated, in early 2016, a strategy to accelerate the implementation of the project, in anticipation of the preparation of the 2016's work plan. This strategy primarily looks ahead the launch, in 2016, of the concrete realisation of all the outputs defined under the three expected outputs of the project. Four axes have been identified to enable the implementation of the strategy, namely (1) the reinforcement of human resources made available, in particular for the PMU; (2) the elaboration of realistic annual work planning with notable degree of ambition and visibility for the forthcoming years of project implementation; (3) detailed planning and close monitoring of all activities launched to ensure their timely implementation; (4) exploring all opportunities to avoid implementation delays. Otherwise, the strategy was presented at the UNDP country office's workshop on the mid-term review of annual work plans held from 14 to 17 June 2016, and common solutions were identified and proposed to contribute in avoiding or reducing delays related to the procurement processes.</p>
<p>Stakeholder engagement and target groups</p>	
<p>Please discuss how stakeholders and target groups were directly engaged in the decision-making, implementation and monitoring of the project this reporting period.</p>	<p>The main stakeholders, including from the private sector, are represented in the PSC, which is fully involved in all phases of design and monitoring of the TSP NAMA architecture and components, in order to ensure the highest level of ownership. These stakeholders are directly engaged in the decision-making, implementation and the monitoring of the project since they are involved in all processes of evaluation and approval of the results of the activities undertaken. In addition, other representatives from public institutions not represented in the PSC, private sector, NGOs and members of PMUs of other projects (mainly the GIZ-implemented project entitled Development of the concept of a mechanism for mitigation in the cement industry) participated in the main workshops and meetings organised during the reporting period. In compliance with organisational arrangements validated by PSC during its meeting of 27 November 2015, two working groups to monitor the implementation of all outputs to be carried out under the achievement of the project outcomes are in the process of being established: the technical working group on the design and the development of the TSP</p>

	NAMA (established and met on 27 April 2016 at the occasion of the 1st workshop on the output related to the design and the development of the TSP NAMA) and the working group on TSP and TSP NAMA financing. Some institutions not represented in the PSC were invited to nominate their permanent members in these groups.
Monitoring & Evaluation (M&E)	
Please discuss how the project M&E Plan was implemented and used to support effective project management this reporting period (e.g. please consider whether progress data against the indicators in the project results framework was reported using credible data sources and collected according to the M&E plan, including sex disaggregated data as relevant; whether lesson learned were used to take corrective actions as necessary; whether evaluations were conducted following the UNDP-GEF guidance available at www.undp.erc.org ; and other issues as relevant).	In the reporting period, the project M&E plan was mainly implemented and used through the elaboration, by the project manager and PMU, of the quarterly progress reports on the basis of the project results framework. In addition, the M&E activity related to measurement of means of verification for project progress was conducted by project manager and PMU as part of the 2016â work plan. At the second meeting of the PSC conducted on 27 November 2015, the progress data against the indicators in the project results framework was reported to and validated by PSC members in the context of 2016â work plan evaluation and approval. This process helped to validate the indicators, targets and their means of verification. The aforementioned PSC meeting was a notable opportunity to validate one of the major corrective actions identified in the PMUâ acceleration strategy of the project implementation, namely the adoption of a realistic and ambitious 2016â work plan aiming to make up delays recorded so far. In addition, the proposed corrective acceleration measures and actions were presented and validated at the UNDP country officeâ workshop on the mid-term review of annual work plans held from 14 to 17 June 2016. Additional general corrective measures to reduce procurement time limits were identified and validated.
Social & Environmental Standards	
Were any new social and environmental impacts and risks identified this reporting period?	N
Please discuss how social and environmental impacts and risks were managed this reporting period, as relevant.	Not relevant for the reporting period.

F. Ratings and Comments on Project Progress

Project Progress toward Development Objective

Role	2016 Rating	2016 Comments
Project Manager/Coordinator	Moderately Satisfactory	<p>The objective of the project is to support the Government of Tunisia in the development and implementation of a Nationally Appropriate Mitigation Action (NAMA) in the energy sector, namely a NAMA for the Tunisian Solar Plan (TSP NAMA). Thereby, the project will contribute to the achievement of the energy mitigation targets established voluntarily by the Government of Tunisia, which aims to achieve a transformation in the electricity mix such that 30% of Tunisia's electricity is generated from renewable sources by 2030. Since the project start date (6 January 2015), and after the adoption of the law on the electricity generation from renewable energies (law n°2015-12), the national political, legal and regulatory frameworks are evolving towards the right pathway in achieving the national objectives in terms of Tunisia's Intended Nationally Determined Contribution (INDC) submitted to the UNFCCC Secretariat, and endorsing then the mitigation target of the TSP NAMA, which represents 25% of the INDC's mitigation target (41% reduction in national economy's carbon intensity by 2030). In addition, the Government recognized the TSP as the main tool of the Tunisia's energy transition and endorsed all ordinances to be enacted as implementing instruments of law n°2015-12 on electricity generation from renewable energies. In conjunction with this contextual dynamics, the project succeeded in starting the effective implementation of the cornerstone output related to the development of the TSP NAMA. Indeed, the TSP NAMA preparation started in March 2016 with support of international and national expertise. Otherwise, the Project Steering Committee (PSC) was formally established in November 2015 and was fully involved in all phases of design and monitoring of the TSP NAMA architecture and components, in order to ensure the highest level of ownership. In addition to the launch of the NAMA to support the implementation of the TSP, the project contributed to strengthening the ownership and supported process to strengthen capacities of PSC members on fields related to climate change mitigation, low carbon strategies, NAMAs, TSP and climate finance. This is in the process of being supplemented by a communication process targeting all stakeholders involved in the establishing of the enabling framework to implement the TSP NAMA, namely policymakers, parliaments and parliament commissions, political parties, NGOs, private investors, media and employee unions (namely the union of the public electricity utility's employee). To make up recorded delays in project implementation, the PSC adopted on 27 November 2015 a realistic and ambitious 2016's work plan aiming to achieve the following targets: (1) significant progress (at least 50%) towards the design and development of the TSP NAMA leading to its early positioning vis-à-vis climate finance mechanisms, in particular the Green Climate Fund; (2) achievement of the capacity building process of PSC members leading to the establishment of a high-level TSP NAMA committee with prerogatives extended to the supervision of the implementation of NAMAs and other energy sector's mitigation actions of the Tunisia's NDC and in context of the Paris Accord; (3) significant advance (at least 40%) in the setting up and utilisation of modelling tools, methodologies and de-risking analysis as a toolbox for energy and climate policymakers; (4) the development and significant advance (70%) in the implementation of the communication plan on the TSP in the context of the design and development of the TSP NAMA; and (5) the identification of nature and technical characteristics of the incremental investment in the two baseline projects (the Tozeur 10 MW solar PV plant and the Gabes 24 MW wind farm) to enhance their performance in terms of renewable electricity and greenhouse gases (GHG) emission reductions. Otherwise, the project engaged in advocacy efforts and in-depth discussions with both the public (STEG) and the private (Enerciel) owners of the two baseline projects in</p>

		order to explore all opportunities to support the timely operationalisation of these projects, taking into account the evolution of the regulatory framework. The ambitious but realistic 2016â2020 work plan will result in significant contribution to the achievement of the development objective within the timeframe of the project.
UNDP Country Office Programme Officer	Moderately Satisfactory	<p>The project objective is on track thanks to internal efforts to the project management unit and UNDP CO support. The current national context is very promising to projectâs results achievement. In fact, after the adoption of the national law on renewable energy in Mar 2015, Tunisia submitted its INDC in September 2016 to the UNFCCC, which includes the adoption of the mitigation target of 41% of decreasing carbon intensity, among which almost 70% will be achieved by energy sector. TSP remains the reference document for any commitment in terms of renewables, and the new development plan document made reference to the objective of 12% of renewable in the power production by 2020. Despite the delay experienced by the project in 2015, due to lack of capacity at the national executing agency level and the late recruitment of the project manager, the project retrieved the delay and launched the most important activity related to the NAMA to support Tunisian Solar Plan implementation in March 2016, which will include the update of the de-risking results developed in 2014, define the sustainable development indicators develop the NAMA and the MRV for the TSP. So far and during the PIR period, only the sustainable development indicators were defined and the international and national electricity context was analyzed. In addition, the PSC members benefitted from capacity building on thematic areas related to climate change mitigation, NAMA and MRV in order to strengthen their ownership and be a close allies and advocate for the project results. The project development objective progress is assessed to about 20% since the launch of the project based on the different activities undergoing and those to start end of 2016. However, there is still some delay in committing the activities related to the outcome 3. This is mainly due to some uncertainty regarding the fulfillment of the wind power project for 45 MW by private sector (cement factory). In addition, there was some reluctance and ongoing negotiation with the STEG concerning any technical support to the 10MW PV project. Knowing these challenges, the project needs to be more proactive in terms of communicating and promoting the NAMA TSP objective in order to attract more supporters and strengthen the advocacy around the project expected results. Besides, it is crucial to strengthen cooperation with key partners like STEG and private sector and involve them more to can adapt better to the current national context and specific context of the two pilot projects in PV and wind. It is noteworthy to mention, that the NAMA TSP is the only concrete project that supports the Tunisian Solar Plan. This should be seized as a great opportunity to accelerate the implementation and reach results that will facilitate TSP implementation through also catalyzing more partnership. This will give better visibility to the project. For all these reasons the project development objective is assessed as moderately satisfactory, with high expectation of achievement to be recorded for the second PIR.</p>
Project Implementing Partner	Moderately Satisfactory	<p>Tunisia decides to engage in an energy transition process in which the Tunisian Solar Plan (TSP) is a key component. Aiming to reach respectively 12% and 30% of power production from renewable sources by 2020 and 2030, the TSP was adopted by the Tunisian government within the new 2016-2020 development plan and confirmed with the official submission of the Tunisian INDC in September 2015. Indeed, the TSP is an operational translation of this vision of development of renewable energy in Tunisia. However, its implementation may face regulatory, institutional, technical and financial barriers. The TSP NAMA project rationale is to deal with these obstacles and thus create a favourable environment for renewable energy investments in Tunisia. The achievement of the project targets is highly related to the political/regulatory national context which is currently marked by the adoption of the national law on renewable energies on May 2015 and the promulgation of the implementation decrees recently on July 2016. In this context, the project is generally on track, especially regarding the progress recorded towards the outcomes 1 and 2. Actually,</p>

		during the PIR period, the project has encountered delays for the activities related to these outcomes, especially due to some internal project management issues, such as the late recruitment of the project team (project manager and assistant) and the change of the national project coordinator. Therefore, these delays are compensated mainly through the following achievements: 1. The establishment of the project team and the ministerial steering committee; 2. The progress made in the execution of the most important project activities related to the capacity building process and the development of the TSP NAMA; 3. The launch of the other activities which are at different stage of the tender process: the communication plan, the TSP modelling tools, etc. However, the delay related to the outcome 3 activities might persist due to external factors related to the effective implementation of the STEG and the private sector investment projects. Taking into account all these considerations, the project progress toward Development Objective is globally assessed as moderately satisfactory.
GEF Operational Focal point	Moderately Satisfactory	The launch of the project experienced a delay as a result of some difficulties. Added to that, the innovative nature of the project contributed to a delay in the accomplishment of the planned activities for 2016. The project team started taking appropriate measures to accelerate the execution pace of the project in the next period. As a GEF Operational Focal Point, i will keep an eye on the progress of the project outcomes to be assured that the development goals of the project will be met at the end of the project.
Other Partners		
UNDP Technical Advisor	Moderately Satisfactory	In general the project is on track to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits. Progress towards the achievement of development objectives has been modest during this reporting period which is the first year of implementation. The best progress was made in Outcomes 1 and 2; progress has been made on the establishment of a high-level Inter-Ministerial TSP NAMA Committee and a Secretariat to coordinate energy generation and end-use stakeholders for the TSP NAMA (Outcome 1). a particularly positive development for the project was the preparation of ordinances related inter alia to rules on grid access (to be enacted as implementing instruments of law n°2015-12 on electricity generation from renewable energies) prepared by the Ministry of Energy and Mines and submitted for approval to an inter-ministerial council. The establishment of modalities for PPPs as established by law n° 2015-49 of 27 November 2015 is also highly beneficial for the energy sector and growth of private sector development in RE. A significant proportion (~53%) of the GEF funding (Output 3.1) will be allocated as incremental investment in the two baseline projects in order to enhance their performance in terms of clean electricity output that is compatible with grid stability. Under Outcome 3 (the largest by value and the one most directly linked to the achievement of direct ERs), TORs were prepared to hire expertise in order to provide support and technical assistance services to the public electricity utility (Société Tunisienne de l'Électricité et du Gaz) for identifying, purchasing, and monitoring of installation of equipment for improving the performance of the Tozeur 10 MW PV baseline project, as well as technical assistance services to the private developer (Enerciel) of the Gabes 24 MW wind baseline project. Both of those equipment projects are expected to start during the 4th quarter of 2016. It is hoped that the project will accelerate progress across Outcomes 2 and 3 in the next reporting period.

Project Progress in Project Implementation

Role	2016 Rating	2016 Comments
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Project Manager/Coordinator	Moderately Satisfactory	<p>Analysis of progress towards achievement of the three outcomes of the project:</p> <p>Outcome 1: Significant progress in the process of capacity building of PSC members and other representatives of involved institutions, which should lead to the establishment of a high-level TSP NAMA committee. Two highly expertise consultants were hired in January 2016 (contract of about USD 50 000 for both experts) to accomplish this process by December 2016. Two workshops were conducted: the first on 15-16 February 2016 on the Paris Accord, NAMAs, MRV, and the role of the TSP in the energy transition; the second on 14 June 2016 on the climate finance and its role to support TSP and TSP NAMA. The experts' contract foresees the elaboration of a guidance note on the modalities of work of the high-level TSP NAMA committee. The use of the DREI methodology to design policy and financial de-risking instruments to promote private investments in renewable energies (RE) was incorporated as a major outcome under the implementation of the contract signed in March 2016 with the service company in charge of the design and development of the TSP NAMA. The elaboration, in May 2016, of TORs to hire a service company to set up, at the ANME, a model (system dynamics model or equivalent) to monitor and evaluate the SD (economic, social and environmental) dividends of energy transition and climate change mitigation policies. The tender launch is planned for July 2016.</p> <p>Outcome 2: Signature, in March 2016 for a budget of USD 514 000, of a contract with a service company (a group of two highly expertise international and national firms) to implement the activity related to the design and the development of the TSP NAMA. At 30 June 2016, this important activity, was achieved at a level of 17%. Under this activity, a set of sustainable development criteria and indicators for the TSP NAMA were developed and approved in May 2016. In addition, the two following activities were launched to contribute to the achievement of the outcome 2: The establishment, at the ANME, of a TSP modelling tool. This tool will serve to improve modelling and simulation related to the TSP and TSP NAMA through better consideration of the updated data and information on the electricity sector and the evolution of the Tunisia's social and economic contexts (The tender to hire an international specialised service company was launched in May 2016. The contract is expected to be signed in August 2016). The elaboration and implementation of a communication plan on the TSP and the TSP NAMA. This plan targeting policymakers, parliaments, political parties, NGOs, private investors, media and employee unions, aims to boost the mobilisation of these actors in favour of the operationalisation of the TSP and the TSP NAMA. (The tender to hire an international specialised service company was launched in May 2016. The contract is expected to be signed in July 2016).</p> <p>Outcome 3: The outcome 3 will be achieved through the realisation of the following output: One private-sector supported wind energy project (Gabes 24 MW grid-connected wind farm) and one public-sector supported PV project (Tozeur 10 MW PV) are implemented to validate the adopted framework and methodologies. In order to start the realisation of this output, the 2016's work plan included the following activity: Hiring of an international or national specialised company to provide support and technical assistance services to the public and private reference projects' developers and the implementing partner for identifying, purchasing, and monitoring of installation of equipment for improving the performance of these projects in terms of renewable electricity and GHG emission reductions. At the end of June 2016, the TORs of this activity were elaborated and the tender to carry it out is expected to be launched in July 2016.</p> <p>General status of project expenditures and management arrangements By 30 June 2016, the total project expenditures reached USD 121 146 which represents 3.5% of the total budget. This situation is mainly due to the late hiring of the project manager (in September 2015) and of the project assistant (in April 2016) and the delays recorded for the formal establishment of PSC (between September and November 2015). However, this situation is in net improvement since the delivery rate is, by 30 June 2016, of 11% of the 2016's approved budget. The complexity and innovative nature of the activities to undertake and the lack of national expertise have contributed to this situation. Regarding the management arrangements, the first PSC meeting was conducted on 3 September 2015 and the</p>
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		second on 27 November 2016 to endorse the 2016 work plan and the terms of reference of the PSC. The PSC is fully involved in all phases of design and monitoring of the TSP NAMA architecture and components, in order to ensure the highest level of ownership.
UNDP Country Office Programme Officer	Moderately Satisfactory	During the first PIR period, the project faced some difficulties of implementation due to the late establishment of the project management unit (recruitment of the project manager 9 months after the project initiation and the project assistant 7 months later), and also due to the complexity of the activities, which need technical expertise to develop the TORs. The national executing agency involvement was important but a change that happened in September 2015 at level of the department in charge of the project execution affected the project that remained without a national project coordinator for some months. The PSC was also organized for the first time only in September 2015 after the recruitment of the project manager. Then in November 2015 to discuss and approve the project annual work plan for 2016. These internal governance issues to the project affected the implementation and as a consequence the delivery that reached barely 4%, which is considered very low rate. Despite these difficulties the project put in place a strategy to accelerate the implementation focusing on three axis mainly i) strengthening the project human resources ; ii) strengthening the annual planning to be realistic while answering the project document expectation; and iii) strengthening the monitoring of the different activities launched to avoid delays. UNDP CO is giving the necessary support and monitoring to the project. In fact, a midterm review was performed for the year 2016 where the project presented the achievements, the challenges and bottlenecks in order to find common solutions to some delay mainly recorded in procurement process. Also the management of CO met the director general of the ANME in order to discuss the project progress and bottlenecks and emphasize the UNDP support to achieve the project results. It is noteworthy to mention that a monthly meeting is planned between UNDP and ANME and involving the project management unit to discuss project progress and planned activities to ensure timely implementation. With all the project governance system put in place it is expected that the project will accelerate the implementation and improve significantly the delivery rate during the second year of the PIR.
Project Implementing Partner	Moderately Satisfactory	Outcome 1: The progress is assessed satisfactory -The capacity building of the Project Steering Committee: two sessions have been conducted (the last one is expected to be done in 2016), so that good progress is observed. -The use of DREI Methodology was displaced in the activity related to the development of the TSP NAMA, so that the activity results are expected to be achieved later. Outcomes 2 & 3: Referring to the planning of the project during the first PIR period, the project progress is assessed moderately satisfactory. In fact, the progress is satisfactory regarding the activity consisting in the development of the TSP NAMA (currently in the 3rd phase ^ 40% as a level progress): delayed start because of the postponement and the relaunch of tenders due to the lack of offers. However, for the other activities the progress is slower : i) the communication Plan : the tender was launched, ii) the TSP modelling tool: the tender was launched and the contract for expertise hiring is expected to be signed in September 2016, iii) the SDM or equivalent to monitor the TSP impacts : the TOR are finalised and the launch of tender is planned in a timely manner, iv) Identification, purchase and monitoring of installations of equipment for improving the performance of the two reference projects, The TOR were elaborated.
GEF Operational Focal point	Moderately Satisfactory	The 2016 work plan suffers delays in the implementation of the planned activities. However, I hope that the already launched tenders and TOR of many planned activities can put the project implementation pace at its cruise speed for 2017. The third component concerning the investment projects needs more efforts in order to avoid delays in the completion of this component.

Other Partners		
UNDP Technical Advisor	Moderately Satisfactory	I attended and presented at the high-level launch and inception workshop of this project in September 2015. The project got off to a delayed start due to major delays with the hiring of the project manager and assistant. As such project activities only took place for an abbreviated part of the reporting period (Oct. 2015-June 2016). In addition, several tenders launched to carry out project activities had to be postponed or relaunched due to the lack of offers from service providers. As such project disbursement for this reporting period is significantly lower than envisioned in the 1st year project budget in the Prodoc. Now that the PMU is fully operational it is hoped that project disbursement will significantly increase in the second year of implementation. The key risks log needs to be carefully monitored for this project given the high-level political engagement needed for successful implementation, ambitious targets and sizeable amount of co-finance from the private sector.

G. Project Planning

Key project milestone	Status	Original Planned Date (Month/Year)	Actual or Expected Date (Month/Year)	Comments
Inception Workshop	on schedule	January - 2015	September - 2015	Project inception workshop was organized on 8 September 2015. However, and since some key issues have not been addressed during this workshop, it is rather to be considered as a kick-off workshop with large attendance from representatives of partners, involved institutions, NGOs, media and PSC members. To cover all issues intended to be addressed by the inception workshop, the 1st and 2nd meetings of the PSC (organised on 4 September and 27 November 2015) discussed and endorsed the detailed first year work plans, targets and performance indicators. In addition, roles, functions and responsibilities within the project's decision-making structures, terms of reference of the PSC, and tentative 2016's work plan and budget were validated. Furthermore, a training session, targeting project staff and representatives from the implementing partners, was organised on 15 and 16 September 2015. The topics covered by this training session included reporting, monitoring and evaluation requirements and procedures, financial reporting procedures and obligations, arrangements for an annual audit, etc.
Mid-term Review	n/a	6 - 2017	-	It is expected to start the recruitment process of the independent consultant end of 2016
Terminal Evaluation	n/a	September - 2019	-	
Project Closure	n/a	December - 2019	-	

H. Critical Risk Management

Critical Risks Type(s)	Critical Risk Management Measures Undertaken in 2016
Political	<p>Political risks: lack of high-level visibility regarding the endorsement of the 2020â€™s and 2030â€™s TSP targets and the necessary political measures catalysing private (national and foreign) investments to achieve these targets.</p> <ul style="list-style-type: none"> - Launching of the process of development of instruments for de-risking political and financial risks based on the DREI-methodology (ongoing under the output related to the design and the development of the TSP NAMA); - Launching of a communication process on the TSP and the TSP NAMA targeting inter alia policymakers, political parties and parliaments; - Planning of high-level meetings with the minister of the energy and mines and the ministry in charge of development and investments (expected in July 2016).
Operational	<p>Operational risks: limited human resources mobilized by the implementing partner to the PMU, etc.</p> <ul style="list-style-type: none"> - Elaboration, in May 2016, of a common vision with the director general of the implementing agency (Agence Nationale pour la Maîtrise de l'Énergie: ANME) to conduct and chair, in his capacity as national project director, a monthly meeting of the PMU with UNDP CO to boost technical and financial progress towards project implementation ; - The project benefits from a continuous support of a national expert in energy and climate change mitigation, who was hired since November 2015. Also the PMU reinforcement by the hiring, in April 2016, of the project administration and finance assistant; - It is also expected to hire another junior expert to give necessary support in following the modelling and MRV activity ; - PMU reinforcement by the nomination of additional two members from the implementing partner; - Organisation of a meeting between the deputy resident representative of UNDP Country Office and the director general of the implementing agency (ANME) on 23 June 2016. The meeting was an opportunity to discuss and to take common decisions in favour of improving the progress level in implementing the project.
Financial	<p>Financial risks: financial sector risks, renewable electricity pricing risks, currency exchange risks, runaway inflation, changing in tax treatment, etc.</p> <ul style="list-style-type: none"> - Launching of the design of the TSP as a NAMA to access to climate finance mechanisms, namely the Green Climate Fund; - Launching of the process of development of public instrument package to mitigate political and financial risks based on the DREI methodology; - Launching of a communication process on the TSP and the TSP NAMA targeting inter alia policymakers in the fields of energy, finance, investments, development and international co-operation; - Launching of a building capacitiesâ€™ process targeting involved institutions on carbon finance mechanisms and DREI-methodology.
Regulatory	<p>Regulatory risks: risks related to ambiguities and lack of incentives in the legal and regulatory texts supposed to boost private investments in the TSP, lack of an independent energy regulator, etc.</p> <ul style="list-style-type: none"> - Launching of the development of the regulatory component of the TSP NAMA; - Launching of the process of development of public instrument package to mitigate political and financial risks based on the DREI methodology; - Launching of a communication process on the TSP and the TSP NAMA targeting inter alia policymakers and parliaments; - The endorsement, by the Government, of all ordinances to be enacted as implementing instruments of law n°2015-12 on electricity generation from renewable energies.
Other	<p>Institutional risks: lack of visibility on the organizational arrangements to</p>

	<p>ensure adequate governance of the TSP. - Launching of the development of the institutional component of the TSP NAMA; - Launching of a communication process on the TSP and the TSP NAMA targeting inter alia policymakers and the major institutions involved in the governance of the TSP. Social risks: resistance of the public electricity utility's union to the TSP. - Launching of a communication process on the TSP and the TSP NAMA targeting inter alia the public electricity utility's union; - Nomination of members from the public electricity utility in the PSC; - Planning of a high-level meeting with the chief executive officer of the public electricity utility (Société Tunisienne de l'Electricité et du Gaz: STEG).</p>
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I. Environmental and Social Grievances

Related environmental or social issue	
Status	
Significance	
Detailed description	No environmental or social grievance was addressed in the reporting year.

J. Communicating Impact

Tell us the story of the project focusing on how the project has helped to improve people's lives.
<p>At this stage of progress in project implementation, it is relatively early to record significant contribution from the project to improve people's lives and conditions. Since the core objectives of the project are to support the Government of Tunisia to develop a TSP NAMA to support achievement of a transformation in the electricity mix such that 30% of Tunisia's electricity is generated from renewable sources by 2030 and to contribute to country's attainment of its voluntary mitigation target in the energy sector, no relevant direct impacts on people's lives are expected from the project. Nevertheless, the project will help the generation of indirect social benefits, namely the identification of the potential in job creations through the TSP implementation in particular in the poor regions of the country, which will positively affect the lives of these regions' people. In addition, considering that the major RE plants (wind energy, solar PV or solar CSP for TSP implementation) will be established close to the rural and the poor regions of the country affected by unemployment, in particular within female population, the project will indirectly contribute to the employment of women and girls living in these regions.</p>
What is the most significant change that has resulted from the project this reporting period?
<p>The most significant change that the project has helped to achieve is regarding the rising of awareness on TSP, TSP NAMA and climate finance opportunities within representatives of all involved institutions, NGOs and private sector which contributed to recent (in June 2016) positive change in the position of the minister in charge of energy and of the President of the Government vis-à-vis the TSP. Indeed, the Tunisian Government recognized the TSP as the main tool of the Tunisia's energy transition and endorsed all ordinances to be enacted as implementing instruments of law n°2015-12 on generation of electricity from renewable resources. Thus, the comprehensive regulatory instruments to catalyze private investments in the TSP have to be enacted by the end of July 2016.</p>
Describe how the project supported South-South Cooperation and Triangular Cooperation efforts in the reporting year.
<p>No South-South Cooperation or Triangular Cooperation efforts were supported by the project in the reporting year. However, discussion has started in June 2016 to back a south-south cooperation agreement signed between the ANME and MASEN in Morocco through supporting the development of a concrete action plan to operationalize this agreement between both institutions. It is expected to make progress on this initiative during the second PIR period.</p>

K. Partnerships

Partners	Innovation and Work with Partners
Civil Society Organisations/NGOs	One active NGO in the fields of energy and climate change (Association Tunisienne pour la Maîtrise de l'Énergie, ATME) was involved in the in the process of evaluation of the outputs to be achieved under the project and was associated as partner for the organisation of a communication event on the Paris Agreement: which issues and opportunities for the TSP implementation? (Tunis, 16 February 2016).
Indigenous Peoples	
Private Sector	A representative of the private sector (from UTICA: Union Tunisienne de l'Industrie, du Commerce et de l'Artisanat) is member of the PSC. UTICA is an umbrella organisation that represents large-scale, small and medium enterprises. It has a working group devoted to energy in industry and commerce. In addition, representatives from the private sector are involved in the process of evaluation of all the outputs to be achieved and were invited to participate in the workshops and other events organized in the reporting year. In this context, the general manager of Enerciel, in his capacity as owner of the Gabes 24 MW wind farm baseline project, participated actively in the in-depth reflection workshop held on 17 February 2016 to prepare the terms of reference of the activity related to the elaboration and implementation of the communication plan on the TSP and the TSP NAMA. Furthermore, the general manager of Enerciel participated actively, with inter alia PSC members, in the workshop organised on 27 April 2016 to evaluate the provisional versions of the first and second deliverables of the activity related to the design and development of the TSP NAMA. Moreover, the general manager of Enerciel participated in the workshop conducted on 16 February 2016 on the Paris Agreement, NAMAs, MRV systems, transparency requirements and the role of the TSP in the energy transition and the implementation of the NDC.
GEF Small Grants Programme	No partnership was developed with the GEF SGP during the PIR period due to changes at the level of the GEF SGP national project coordinator in Tunisia. Once the new GEF SGP team will be settled, the project will approach them to discuss further collaboration.
Other Partners	Since GIZ is one of the most important international development actors involved in supporting the Government of Tunisia on priorities regarding renewable energies, energy efficiency and climate change mitigation, the project started, since early 2016, collaboration with GIZ on these priorities. Indeed, the project collaborated with GIZ to prepare a concept note on the establishment, at the Tunisian ministry for the environment and sustainable development, of a national MRV system covering inter alia all NAMAs, including the TSP NAMA. Aware of the important potential of synergies and common activities that can be developed with the GIZ-implemented project entitled Development of the concept of a mechanism for mitigation in the cement industry, the TSP NAMA project was represented, through its project manager, in some events conducted by this project in 2016, in particular the workshop on financing the mitigation actions in the cement sector held on 19 May 2016. For instance, the workshop was an opportunity to evaluate the will, preparedness and capacities of cement companies to invest in renewable energies to cover their needs in electricity. This issue is important for the TSP NAMA project since the cement company of Gabes (Cimenterie de Gabes) is supposed to be the main investor in the Gabes 24 MW wind farm baseline project. To reinforce this collaboration, the TSP NAMA project will engage a dialogue process based on regular meetings with GIZ's staff in charge of the "mitigation in the cement industry" project to explore further opportunities of collaboration, namely the organisation of workshops on matters of common interest.

L. Progress toward Gender Equality

Has a gender or social assessment been carried out this reporting period?	Will be carried out in the future
If a gender or social assessment has been carried out what where the findings?	
Does this project specifically target woman or girls as direct beneficiaries?	No
Please specify results achieved this reporting period that focus on increasing gender equality and improving the empowerment of women.	NA for the PIR reporting period.

General Comments

Gender and social assessment will be carried out through the 2016 planned activity related to the setting up, at ANME (in its capacity as implementing partner), of a model (system dynamics model or equivalent) to monitor and evaluate the sustainable development (economic, social and environmental) dividends of energy transition (the TSP is the main tool of this transition) and climate change mitigation policies (the TSP NAMA is one of the pillars of these policies).

Although the project document stated that the project has marginal positive impacts on gender equality and women's empowerment, gender impact will be taken into consideration in all the relevant studies to be conducted by the project mainly the environmental, social and development impact of TSP implementation that is expected to be launched end of 2016.

M. Annex 1 - Ratings Definitions

Development Objective Progress Ratings Definitions

Highly Satisfactory (HS): Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as 'good practice'.

Satisfactory (S): Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

Moderately Satisfactory (MS): Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.

Moderately Unsatisfactory (MU): Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.

Unsatisfactory (U): Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.

Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.

Implementation Progress Ratings Definitions

Highly Satisfactory (HS): Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as 'good practice'.

Satisfactory (S): Implementation of most components is in substantial compliance with the original/formally revised plan except for only few that are subject to remedial action.

Moderately Satisfactory (MS): Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.

Unsatisfactory (U): Implementation of most components is not in substantial compliance with the original/formally revised plan.

Highly Unsatisfactory (HU): Implementation of none of the components is in substantial compliance with the original/formally revised plan.