

Memorandum of Understanding (MoU)

regarding the establishment of a DESERTEC Industrial Initiative planning entity (DII) based on the DII principles

Preamble

A secure and sustainable global energy supply and efficient climate protection measures are key to securing the well-being of present and future generations. We, the signatories of this MoU, regard the DESERTEC concept as a scientifically substantiated and economically feasible way of achieving this strategic goal. Therefore, the signatories of this MoU intend to establish a planning entity in order to create a basis for putting the DESERTEC concept into practice as soon as possible. Work on the Mediterranean Solar Plan (Union for the Mediterranean) are intended to be included in this effort.

Basic principles

Our objectives are based on the DII principles, to which all future shareholders of the planning entity subscribe. To achieve these objectives, it is the intent of the companies signatory to this MoU to establish a planning entity in the form of an incorporated company. The company's task will be to clarify the technological issues and create the necessary political, socio-political and economic foundations and develop a viable implementation plan within the next three years. The DII is expected to network closely with the scientific community, non-government organisations (NGOs) and government organisations (GOs). The DESERTEC Foundation will play a central role in this respect.

Shareholders

All signatories of the MoU intend to become DII shareholders. It is envisaged that other companies will join the DII once the company has been established. The aim is for the DII to include interested companies from a variety of different countries.

Legal form

The DII is intended to be established at the latest by 31 October 2009 in consultation with the DESERTEC Foundation and the founding shareholders. The entity is intended to be organised as a GmbH (limited liability company) under German law.

Financing

The DII shall be financed from contributions made by the participating companies. Additional funds may be raised from public sources.

Other agreements

The specific organisational structure of the DII, the amount of the shareholders' contributions, and the conditions governing such contributions will be defined in due course. The details of cooperation will be worked out by deep consultations between Munich Re and the DESERTEC Foundation within the next few weeks, and agreed with the other original signatories.

DESERTEC Industrial Initiative

Objectives and principles

Appendix to the Memorandum of Understanding
regarding the establishment of a planning entity (DII)

Preliminary remarks

The DII principles are acknowledged by all DII shareholders in accordance with the MoU regarding the establishment of the planning entity.

DII – Objectives

In the DESERTEC Industrial Initiative, private-sector companies pursue the accelerated implementation of the DESERTEC concept* developed by the Club of Rome and TREC. The DII's three core objectives are to

- I. analyse and develop a technical, economic, political, social and ecological framework for implementing the DESERTEC concept;
- II. initiate industrial preparations for implementing the DESERTEC concept;
- III. develop specific business plans and associated financing proposals for the implementation of the DESERTEC concept.

The DII will work on these objectives in close cooperation with the DESERTEC Foundation.

DII – Principles

1. The focus of the DII's activities in the field of power generation will be on the sun and wind as renewable sources of energy. The investigations carried out to identify suitable technologies for power generation and transmission will not be biased towards a particular outcome.
2. The DII's regional focus will be on EUMENA, i.e. Europe, the Middle East and North Africa
3. All of the DII's activities will be aimed at developing viable business and investment plans within three years of its establishment.
4. From the very beginning of the project, the aim will be to start supplying electricity to the European Union and to generate sufficient power to meet the needs of the producer countries as soon as possible. The aim is to supply around 15% of Europe's electricity by 2050.
5. The DII's work will not be limited to individual aspects of the DESERTEC concept. The approach adopted in investigating power generation, transmission and sale will always be a holistic one, and will also take into account the political and social parameters and the development needs of the producer and transit countries (for example, combination with seawater desalination).

* The DESERTEC concept involves making use of the abundant unused energy in the deserts to promote global energy security and help protect our climate. For a detailed explanation, see the White Paper "Clean Power from DESERTS", 4th edition, February 2009, ISBN 978-3-929118-67-4 and the Red Paper (English edition, 2009), see www.desertec.org.