

Financing Morocco's renewable energy long-term plans

An EBRD view

22 January 2018

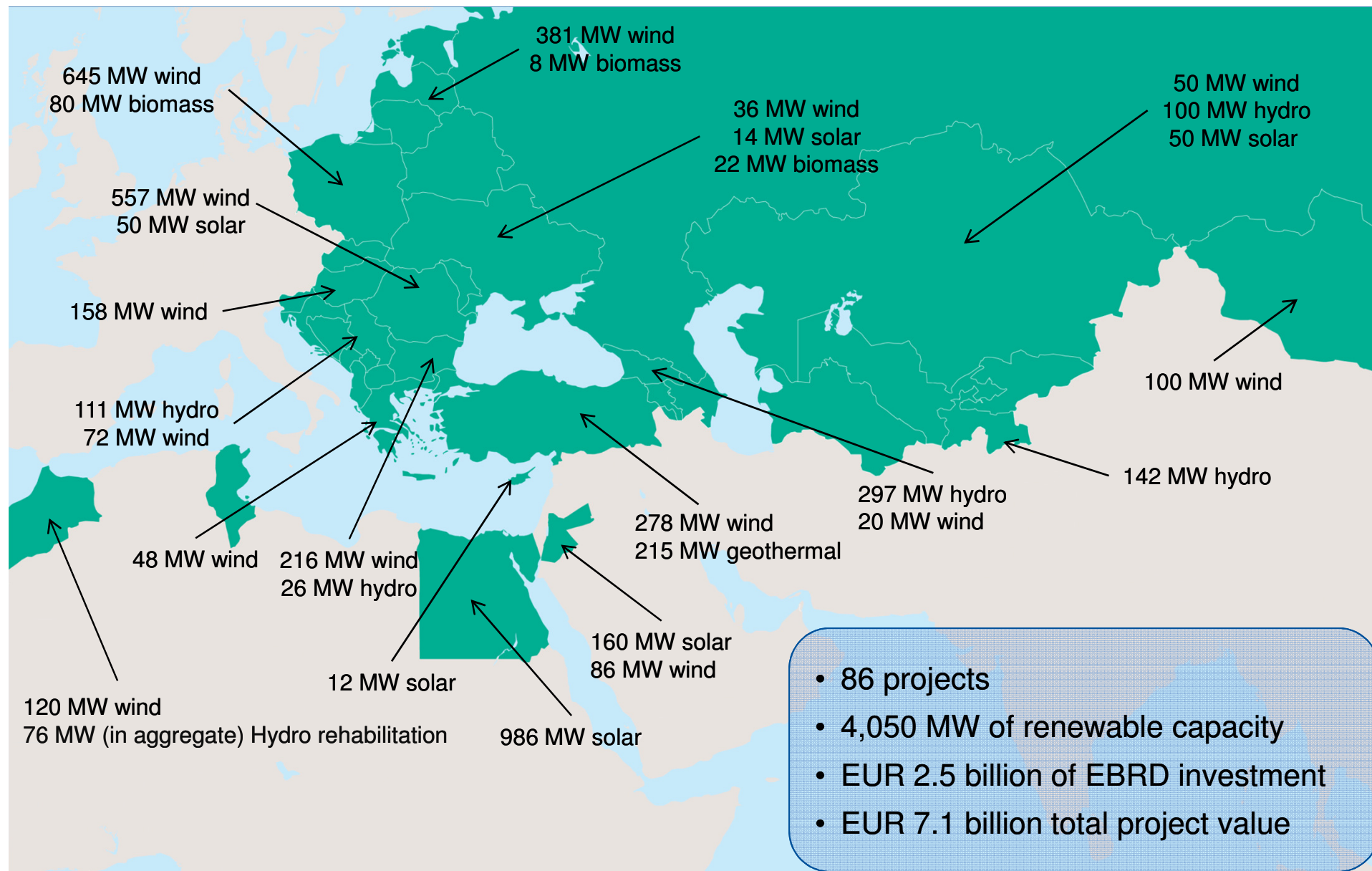


European Bank
for Reconstruction and Development

Attracting financing to support long-term expansion of renewables

- 1. Commercial and IFI project finance is widely available as the renewable energy market reaches maturity**
- 2. Climate financing can be key for private renewable energy development**
- 3. Improved regulation can catalyse access to external financing**

1. EBRD's track record demonstrates the sustainability of private sector renewables



1. EBRD and BMCE financing for Khalladi confirms project finance works in Morocco

Khalladi wind farm is the first private project to sell electricity directly to high voltage private offtakers under a long term Power Purchase Agreement

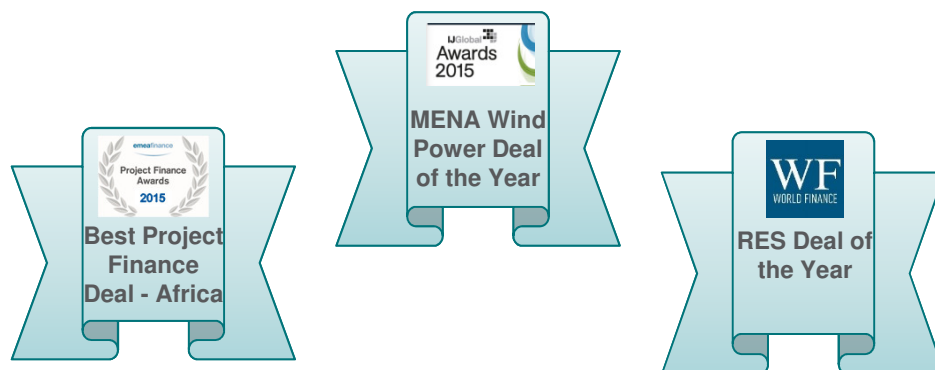
Key Facts

- **Project:** 120 MW wind farm near Tangiers
- **Project Size:** EUR 161 million
- **EBRD Finance:** EUR 52 million
- **Climate financing:** USD 10 million
- **Co-Lender:** BMCE EUR 62 million
- **Structure:** Senior secured non-recourse project finance structure. Loan in local currency (MAD)

Sponsors



Location



2. Climate financing can be key for private renewable energy development

- **EBRD offers access to climate financing** through the SEMED Private Renewable Energy Framework (SPREF) for auto-generation and private-to-private projects
- **SPREF's objective is to overcome barriers to private sector in renewable energy markets :**
 1. Absence of cost-reflective energy tariffs
 2. Insufficient regulatory framework
 3. Difficult access to local currency
- **Clean Technology Fund (CTF) and Global Environment Facility (GEF)** provide concessional finance

Financing Source		Amount (USD)	Installed Capacity
Concessional finance secured to date	EBRD (debt / equity)	250 million	
	Clean Technology Fund (CTF)	35 million	
	Global Environment Facility (GEF)	15 million	
	Co-Financing	600 million	
TOTAL		900 million	500 MW

3. Improved regulation can catalyse access to external financing

- **Access to finance for private sector renewable** can be further enhanced through:
 - the effective opening of the medium voltage to increase the liquidity of the market
 - an improved transparency of the legal framework
 - the establishment of an independent regulator
- **EBRD has mobilised EUR 1 million in technical cooperation funds for regulatory support to the Ministry of Energy (MEMEE) since 2011:**
 - Ongoing: EUR 300k Develop the regulatory framework for the opening to medium voltage of private renewable energy, including:
 1. preparation of the decree (published in November 2015); and
 2. support in the decree's implementation.
 - Proposed: EUR 500k Mapping of the grid capacity to absorb additional energy generated from renewable energy sources
 - Proposed: EUR 295k for Drafting of the Gridcode

3. Egypt FiT : EBRD's policy dialogue lead to financing of largest solar complex in Africa

