

May 17, 2013

Comments from Canada on the Revised CTF Investment Plan for MENA CSP

Colleagues,

thank you for the draft summary of the Co-Chairs for the CTF Trust Fund Committee Meeting. Please find enclosed our specific comments for the revised MENA Investment Plan.

Overall comments:

Canada welcomes the revised MENA Investment Plan (IP), including the increased CTF financing allocations to Morocco and Egypt.

- Given the regions' significant solar energy potential and the importance of supporting the region's realization of that potential, the risks should be more fully explored with the view to mitigating them to the extent possible.
- Canada would be interested in hearing whether and how countries plan to link the actions and impacts of the CTF investments to the UNFCCC process aiming at clarifying mitigation actions and commitments.

Specific comments:

Jordan:

- The CSP project for Jordan references NEPCO's current capacity as a weakness. While mitigation measures are in place to address this challenge, in the medium to long-term is there a potential risk that that the projects funded would not be connected to the electricity transfer network? Given the IFC is requesting an exception by the TFC to consider CPV as a form of SCP, might the IFC consider providing support to NEPCO to enhance the capacity of the National Electricity Grid to absorb the electricity produced from sources of clean energy?

Morocco:

- We agree with the development of Regional Environmental Networks to build on the experience of the first project in Morocco and those subsequent should keep moving forward. The environmental knowledge network can be a knowledge-sharing platform, which among others could showcase the lessons of experience of the Moroccan Ouarzazate project, and bring in international experience.

Egypt:

- The IP's proposed concentrated solar power (CSP) project is an important element of Egypt's renewable energy development plans, especially in light of the growing domestic demand for power and electricity as well as the expected changes in the domestic energy subsidy structure.

- We recommend strengthening the project implementation risk mitigation section to reflect other important considerations, notably the length of land negotiations and uncertain timelines for reductions in the current energy subsidies.
- The IP should elaborate further on the potential for replication in the country, with the view of explaining how the IP's intermediate objective of financing 750-1000 MW of CSP capacity will achieve a demonstration effect that will catalyze replication.
- We consider "Table 4: Risks and Mitigation Measures" (page 33-34) to be an important reference, and as such we recommend continued update and analysis.

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