

CLIMATE INVESTMENT FUNDS

September 29, 2016

[APPROVE BY MAIL]: MOROCCO: ONE WIND ENERGY PLAN (CTF) (AFDB)-- XCTFMA057A

COMMENT SUBMITTED BY UNITED KINGDOM

Dear Mafalda,

Thank you for the proposal for reallocating CTF resources in Morocco. We appreciate the ambitious renewable energy plans that Morocco is aiming to achieve with greater generation capacity and the role that this project plays within that. Whilst in principle we support the reallocation of resources following a review of the project, it would be helpful if the proposal set out more clearly what is being proposed, the rationale behind it and the implications for Morocco. In particular, to support informed decisions, we would like the following points addressed:

Questions for the AfDB:

For the two wind projects that are due to receive the reallocated funds, namely Djebel el Hadid and Midelt, please elaborate and provide further details on the current status of the projects, rationale for their inclusion and expected results including capacity, GHG emissions etc. Please provide an updated timeframe for the key milestones in the project, including the planned disbursement schedule and the current position of the existing projects.

Can an explanation be provided on the potential impact on the hydro industry as a result of this decision.

Annex II highlights some significant changes in funding from the initial plan, please could the team provide a justification and rationale to these changes and how the funding changes have impacted the CTF project results in Table 4. For example, Annex II shows that the World Bank has withdrawn its funds (\$124.25m) from the project and KfW and EIB are now funding the wind projects, in addition the contributions from the Government of Morocco and bilateral funding have also changed.

Please can the project team explain the additionality of the CTF funding with respect to the new wind farm projects?

We note that the total GHG emission savings for the new projects is very similar to the original savings. Please could the team provide more detail on rationale behind this and how this has been calculated?

Please could the project team also provide further clarification on the following points:

- Table 1 – the 32.8% shown in the last column for the Koudia El Baida project seems to be incorrect, please could the team provide the updated figure?
- Section 4 – the cost of Tanger II Wind Farm (which I understand is now a 100MW project) seems to be equal to that of the new Midelt project at 150MW, is this correct? We have also noted that both amounts appear to be inconsistent with Table B in Annex II; can the project team please clarify?
- It seems from Table 3 that the capacity of the wind sub-component has increased by 200MW; however I can only derive a net 100MW increase from the changes described in paragraph 4.1. Does the additional 100MW come from the Djebel el Hadid project (it would seem so given the increase in this project's costs shown in Annex II) and if so, can the project team please confirm what this project's initial capacity was and how much it has increased by? It would also be good to see a sentence describing these changes in

paragraph 4.1 to make it easier for readers to understand the various changes that have taken place.

- Finally it would be useful to clarify from the start that the Djebel el Hadid project is the project in which the WB \$25m were initially planned to be invested, as that only becomes clear in Table A of Annex II – otherwise it's difficult to understand why Djebel el Hadid shows up in Table 1 whereas the Midelt project doesn't, since they're both introduced as new projects in paragraph 3.1.

Comment for the CIF AU:

Have the new proposed wind farms been assessed on whether they meet the CTF investment criteria given that this detail is not provided here.

As highlighted previously, we think it's important to track how the overarching CTF portfolio is changing through time and therefore would be grateful if this could be taken into consideration and an update provided, potentially in the next semi-annual operational report?

Regards,

Abu.



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