

CLIMATE INVESTMENT FUNDS

June 7, 2017

**[APPROVAL BY MAIL]: MOROCCO: NOOR-MIDELT PHASE I CONCENTRATED SOLAR
POWER PROJECT (CTF)(WB)(AfDB) - XCTFMB106A AND XCTFMB107A**

COMMENTS FROM UNITED STATES

Following up on my previous email, here are our questions on this project. In addition, we are attaching a table that we would like the respondents to fill out, as it will help us to better review the proposal. Thanks for your assistance.

1. Can staff provide more detail on Morocco (MASEN) local content policy? We note references in the paper that MASEN anticipates that procurement will meet a 35% local content level. Is this a voluntary or mandatory requirement for solar projects?
2. Can staff also provide additional detail and explanation if the LCR is component-specific or a feed-in tariff, as those tend to be more likely to impact procurement decisions?
3. If applicable, can staff explain with a detailed breakdown of why the expected local content is higher than the requirement?
4. Will any advanced manufactured imports be impacted by the proposed LCR?

Attachment detail:

Example of information to be included to make a determination if an LCR is not trade distorting:

Please provide additional detail and explanation if an LCR is component-specific or a feed-in tariff, as those tend to be more likely to impact procurement decisions.

Levels										
1	Total: EPC: 100%									
2	Infrastructure: 39%			Goods: 40%				Services: 21%		
3	Civil Works: 13%	Support Structure: 18%	Utilities: 8%	Mech Equip: 24%	Elec Equip: 5%	Bulk Material: 8%	Other materials (be specific): 3%	Eng & Managmt: 3%	Construc Serv: 16%	General Expenses: 2%
Percentage Locally Sourced	100%	100%	100%	15%	15%	45%	0%	15%	75%	95%

X% of total EPC procurement is expected to be procured domestically, even in the absence of LCRs.

This is lower (or higher) than the general LCR on EPC, therefore the impact of LCR on this project is (or is not) expected to distort procurement decisions or potential trade. Then provide some additional context on

Please provide a brief list of the items included in each of the level 3 of the procurement categories.