

CLIMATE INVESTMENT FUNDS

June 23, 2017

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

WORLD BANK RESPONSE TO COMMENTS FROM UNITED STATES

(Comment #1)

Has the policy evolved over time?

(Response #1)

RE program has been structured within the framework of this policy. To our knowledge, the policy has not changed.

(Comment #2)

How does the industry integration policy impact the procurement decisions of the project and in what ways and what proportions of procurement could it swing procurement decisions away from international bidders or suppliers of international products to domestic bidders or domestic products?

(Response #2)

Since industrial integration is voluntary and discretionary, it does not impose a requirement that constrains bidders' proposals. In any case, the scope and extend of any industrial integration proposal does not impact the procurement's evaluation criteria, and there are no bonuses offered as part of a feed-in tariff structure for industrial integration offers. Based on the information available to date, there are no preferences of any kind in any stage of bid evaluation for any level of domestic content.

(Comment #3)

What percentage of each component of the project would be expected to be sourced domestically if the industry integration policy were not in place?

(Response #3)

It is difficult to answer this question with any measure of certainty. One would expect bidders who are more familiar with the Moroccan market and have better established domestic supply chains to source more of their supplies and services locally. Typically, one would expect civil works, piping and steel works (inc. thermal storage tanks), site-related services, etc. to be sourced domestically for competitive purposes, irrespective of any industrial integration policies. More advanced equipment (e.g., mirrors, tracking systems, control systems, steam turbines, transformers, etc.) are likely to be imported, with or without the voluntary integration policy.

(Comment #4)

How do those projections compare to the proportions of project elements expected to be procured domestically?

(Response #4)

The procurement process is currently ongoing so there is no factual basis on which to base an answer. Ostensibly, based on prior experience, the equivalent of up to 35% of total project costs would be expected to be procured domestically, as was done on NOOR-Ouarzazate. The choice of technology proposed could also have an influence, with tower CSP requiring more civil works so likely to include higher domestic content as a result when compared to parabolic trough, though sponsors of NOOR-Ouarzazate II (which uses parabolic trough technology) are currently also expected to achieve 35% by the time construction is completed.