

CLIMATE INVESTMENT FUNDS

CTF INVESTMENT PLAN

Concentrated Solar Power in the Middle East and North Africa

The Middle East and North Africa (MENA) region holds some of the most advantageous potential for the development of Concentrated Solar Power (CSP) in the world. Five countries in the region—Algeria, Egypt, Jordan, Morocco, and Tunisia—are looking to take advantage of this world class potential through the use of \$750 million from the Clean Technology Fund (CTF) in conjunction with large investments from other sources. The investment plan developed as part of the CTF will:



- Enable the region to contribute to global climate change mitigation;
- Support deployment of about 1 gigawatt of CSP generation capacity, tripling worldwide CSP capacity;
- Support transmission infrastructure in the Maghreb and Mashreq for domestic supply and exports as part of Mediterranean grid enhancement,
- Enabling CSP scale-up through regional market integration;
- Leverage public and private investments for CSP power plants and other related projects for over \$4.85 billion from sources;
- Support energy security, industrial growth and diversification, and regional integration in the MENA region.

The Investment Plan is designed around deployment of about 10–12 commercial scale power plants to be constructed over a 3–5 year time-frame. The scale of investment will attract private sector partners, result in economies of scale and cost reduction, and promote learning from diverse operating conditions.

The CTF regional investment plan focuses on markets in countries where transformational outcomes are most likely:

- **Algeria has introduced a national program for integration of renewable energies** with an objective to reach five percent of power generation by 2017 and 20 percent by 2030—a long-term target to be met primarily from CSP

MENA CTF INVESTMENT PLAN

CTF financing: **\$750 million**

Co-financing: **\$4 billion**

PROJECT APPROVALS

Morocco: Ouarzazate I Concentrated Solar Power Project

CTF Approval Date: Jun '11

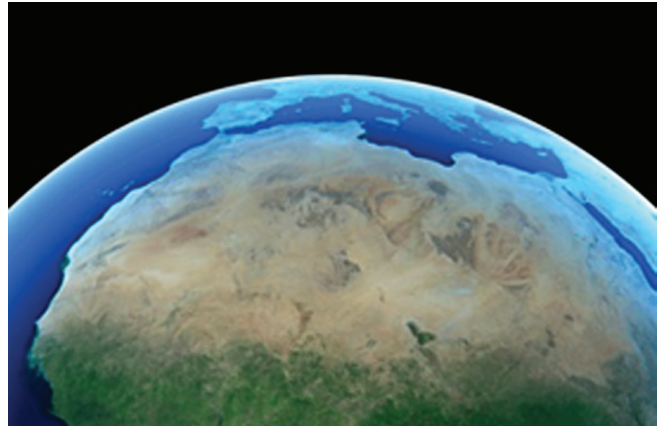
CTF financing: **\$197 million**

Co-financing: **\$721 million**

Partner MDBs: **African Development Bank, World Bank**

(70 percent CSP 20 percent wind and 10 percent photo voltaic (PV)). This is one of the world's most ambitious CSP programs.

- **Egypt has committed to increasing the share of renewable energy to 20 percent by year 2020** as a means of meeting growing electricity demand and utilizing natural gas for higher value purposes.
- **Jordan is almost entirely dependent on fuel imports for energy so the Government has adopted an energy sector strategy** with increased emphasis on renewable energy and energy efficiency to bolster the country's energy security. The strategy sets a target of seven percent of the country's energy mix from renewable sources by 2015 and 10 percent by 2020.
- **Morocco seeks to shift the country's energy mix away from the heavy dependence on imported energy, especially fossil fuels. The Government has articulated an energy strategy** that includes reducing the share of oil to 40 percent by 2030, and making energy efficiency improvements a national priority. In November 2009, the Government unveiled a Moroccan Solar Plan to install 2000 MW of solar power including CSP by 2020 (42 percent of power generating capacity).
- **Tunisia is committed to building solar energy capacity as part of the country's long-term energy strategy.** The Government has recently announced a Tunisian Solar Plan for implementation during 2010–16, with investment of Euro 2 billion, of which Euro 1.4 billion from the private sector.



What is the CTF?

The Clean Technology Fund (CTF) is a multi-donor trust fund created in 2008 as part of the Climate Investment Funds (CIF) to provide scaled-up financing for the demonstration, deployment and transfer of low carbon technologies that have a significant potential for long-term greenhouse gas (GHG) emissions savings. CTF resources amount to approximately \$4.5 billion (based on exchange rates on the initial CIF pledging date of September 25, 2008) pledged by contributors (Australia, France, Germany, Japan, Spain,

Sweden, United Kingdom, United States). The CTF supports a selected series of investment plans that meet the criteria of significant GHG emissions savings, demonstration potential at scale, development impact and implementation readiness.

