



# **Project Development: Cooperation between Mena and the EU**

## **Perspectives from the Technical Consultant Side**

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## Wind and Solar Projects during the Development Phase:

- **Location:** Country risk
- **Wind and Solar Resources:** Insufficient information /Measurements
- **Wind Energy:** Bird migration risk
- **Local Project Developers:** lack of experience / technical know how
- **Regulatory Framework:**
  - Not sufficiently developed,
  - No feed in law, sometimes defined PPA, tender procedures,
  - Little experience of the responsible authorities
- **Energy Costs:** Too high expectations for low LCOE of wind and solar projects of governments/ utilities
- **Local Value generation:**
  - Too high expectations in the beginning;
  - Definition of fixed local portion sometimes counterproductive
- **Experienced Companies:** Little willingness of international firms with references in Europe/USA to submit bids in new (and risky) markets
- **Sufficient Local Equity:** Available, but with no experience in wind and solar
- **Commercial Banks:** Little willingness of commercial banks for project financing in emerging countries
- **Electricity Grid:** higher unreliability compared to EU; more grid losses; weaker grid compared to EU; not country-wide developed

## Wind and Solar Projects during the Construction Phase:

- **Location:** Country risk
- **Financial Capability:** Client risk, client's financial strength, payment risk
- **Contractor's Experience:**
  - Insufficient experience with typical site conditions on construction sites in emerging countries: climate, heat, sand, salt content, etc.
  - Insufficient trained personnel for construction, installation, commissioning and testing
- **Standards:** Testing/certification authorities not established in the emerging countries
- **Authorities:** Duties, bureaucracy in general
- **Local Content:** Local manufactured components with insufficient quality

## Wind and Solar Projects during the Operation Phase:

- **Location:** Country risk
- **O&M Personnel:** Insufficient trained personnel for O&M
- **Spare Parts:** Supply risk / delivery times
- **After Warrantee Period:** What happens after the end of the guarantee period
- **Operational Experience:**
  - Technology not sufficient adapted / Modified to climate
  - sometimes first project in that region

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