



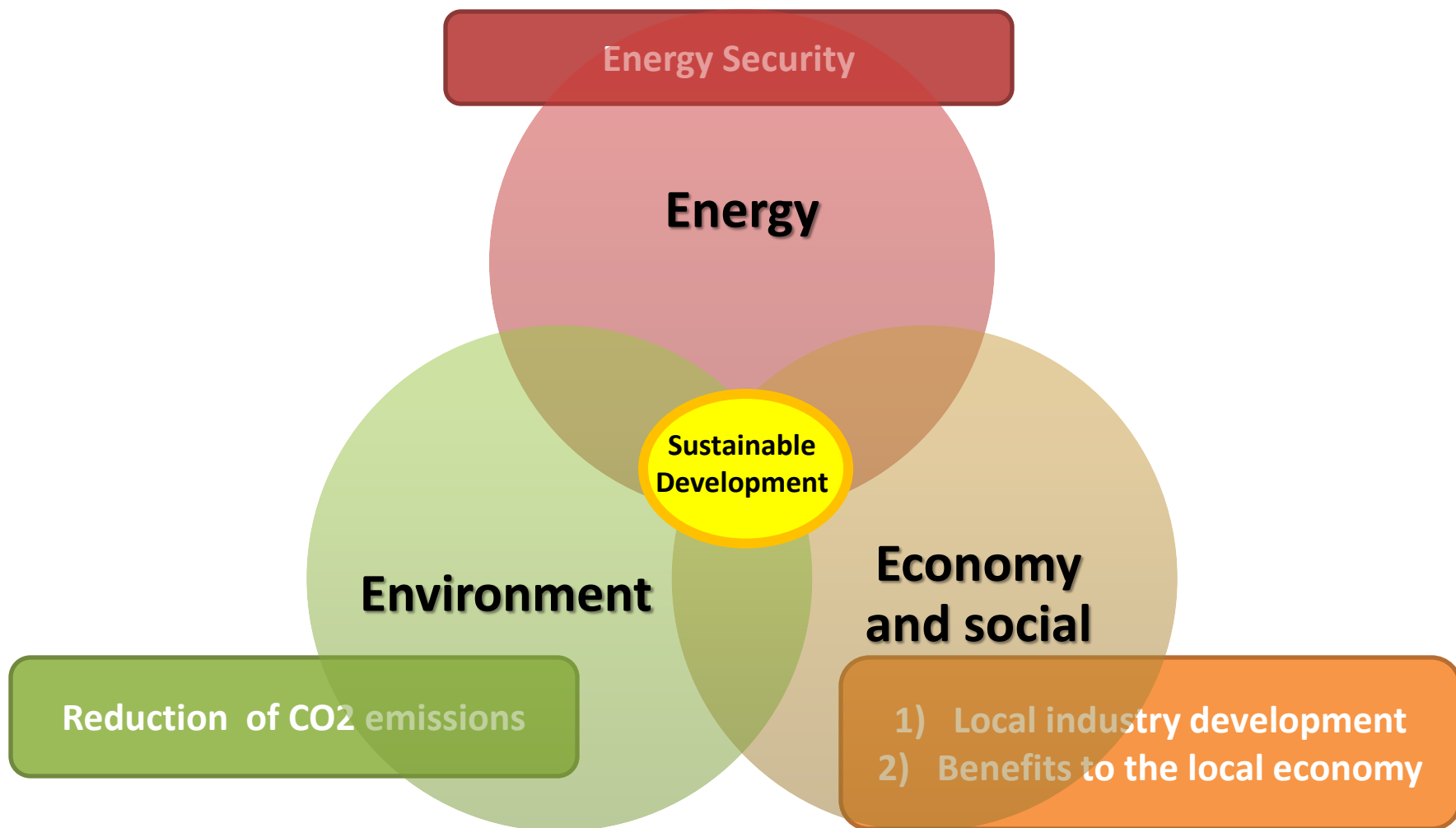
The role of public and commercial finance institutions in CSP scale-up

Dr Silvia Pariente-David, World Bank

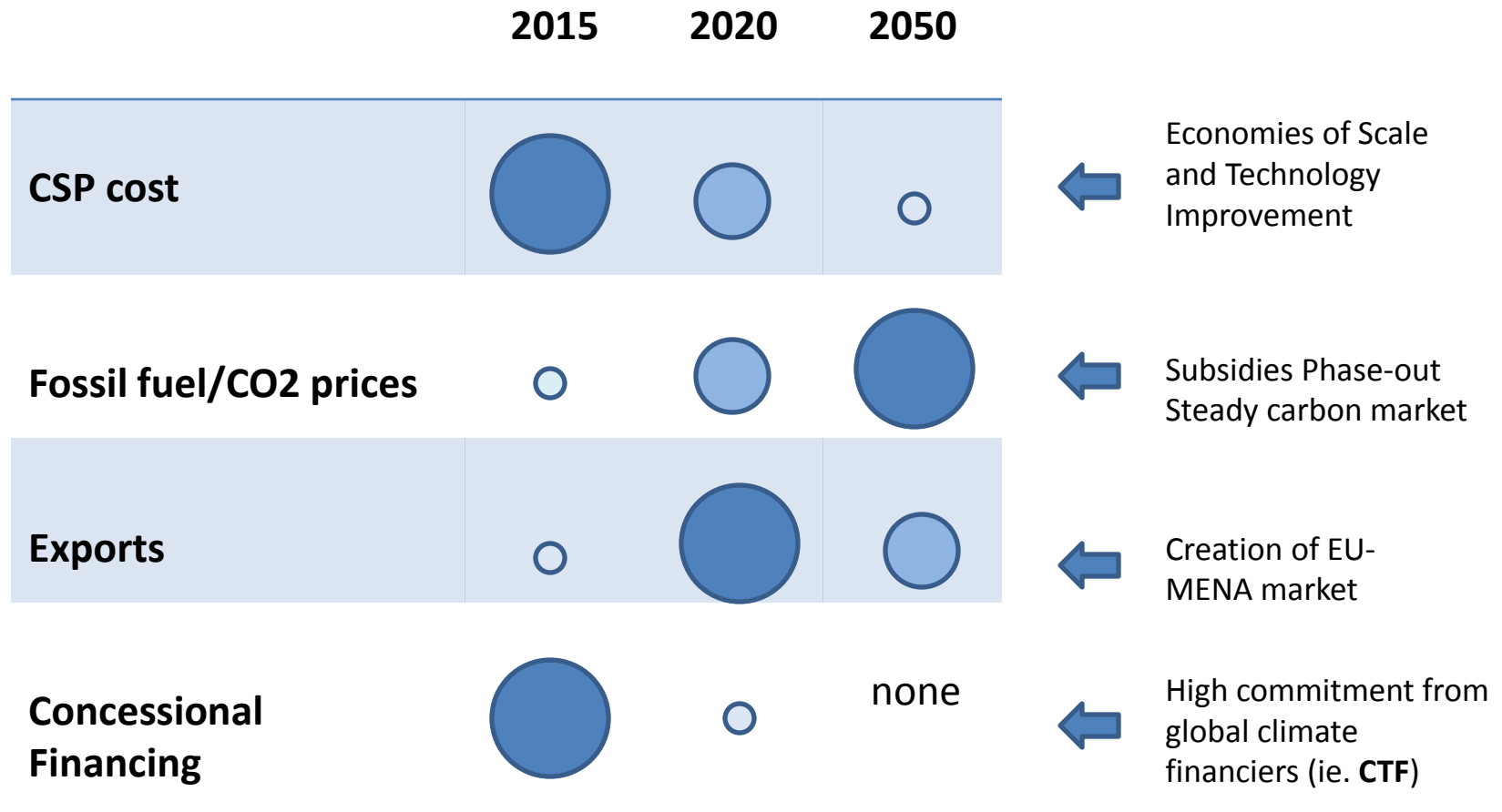
Cairo, 2nd-3rd November 2011



The CSP technology is at the crossroads of several policy objectives, but too expensive



Exports and concessional financing essential for the viability of CSP projects— with varying relative importance over time



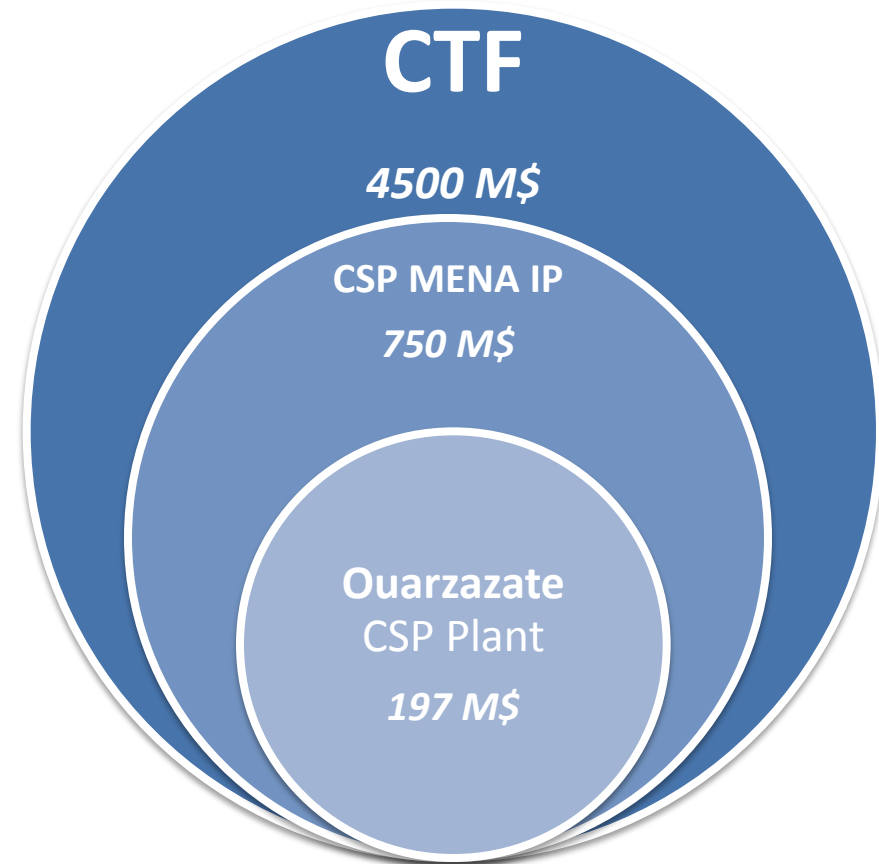
 Risk Shifting from Public to Private Sector from 2015 onward



The Clean Technology Fund:

A precursor to the Green fund, providing initial financing for CSP projects

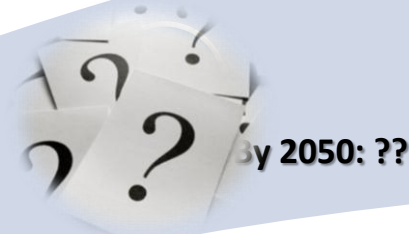
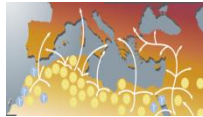
- Clean Technology Fund (CTF) is a multi-billion fund (\$4.5 billion) for climate change mitigation set up in 2008, managed by WB to finance “transformational” projects in developing countries
- Very concessional public sector terms:
 - 40 y repayment,
 - 10 y grace,
 - 0.25% service fee;
 - Private sector terms benchmarked to public sector terms
- CTF supports CSP scale-up in MENA with the US\$ 5.6 Billion **MENA CSP scale up Investment Plan** (MENA CSP IP) endorsed by CTF in December 2009, launched by WB and AfDB
- Ouarzazate I is the first project in CSP MENA IP



Moving the cursor from public to private

Accelerating factors:

Initially concessional funding
Opening of EU market
Fossil Fuel Subsidies Phasing-out



By 2015: up to 1 GW

Ownership: Public or long-term contract-based PPPs

Financing: concessional funding key role until 2015

Risk sharing:

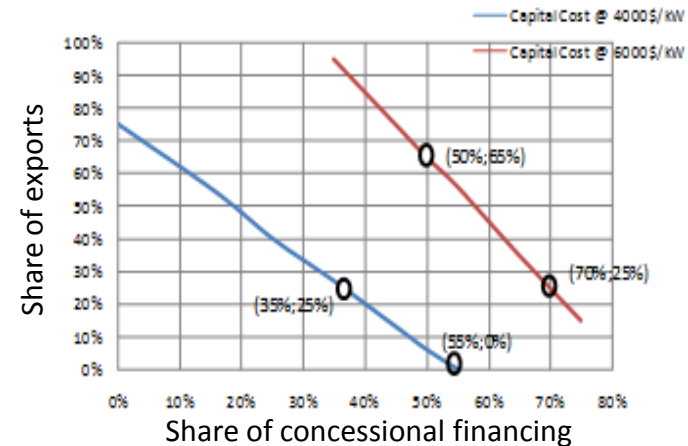
- MENA Governments development risks and market risk,
- private sector: technology and financing risk

By 2020: between 3 and 5 GW

Ownership: regional and global companies with long-term contracts, following maturity of regulatory environment and European green power market

Financing: equivalent to financing for other RE projects-- commercial financing, export credit financing

Risk sharing: shifting towards the private sector as Europe green energy market matures with clear power exports framework



Big (Financing) questions that will drive the public/private mix for MENA CSP financing

- Will everyone continue to wait for everyone, or will someone break out and follow Morocco's leadership?

OR

- Will the Copenhagen/Cancun Accord and the Union for the Mediterranean actually drive concessional financing?

AND

- Will EU markets start to open soon?

SO THAT

- Reference projects can start to move forward in the Maghreb and in the Mashreq?

The big test of reality is Ouarzazate!





Thank you!

