

**U.S. Position on World Bank's Investment in the  
Ouarzazate I Concentrated Solar Power Plant Project in Morocco**

**November 17, 2011**

The United States commends the Government of Morocco for this bold initiative to establish a renewable energy sector. The world urgently needs to develop renewable energy products, and an investment in solar power will play to the Morocco's comparative geographic advantage in producing green energy.

While there are risks in developing this operation, there is also the opportunity for great reward if the project is successful and can be replicated across the region. This project represents a good opportunity to take a clean technology to scale, significantly reducing future capital costs and risk for renewable energy products. Innovation is inherently risky and thus the controls and mitigation measures built into the project design and technical assistance to Morocco's Agency for Solar Energy (MASEN) are especially important.

The Government of Morocco's decision to use a public-private partnership for this project is a positive step. The need to secure concessional financing to facilitate private sector participation in the project requires use of a framework approach to environmental and social safeguards. As a result, the sequencing of environmental assessments differs from the norm. In this context, the framework Environmental and Social Impact Assessment's (ESIA) description of the project location and of the anticipated impacts of the project is necessary analysis of the potential environmental impacts. Taken together with framework ESIA's posting for public comment and assurances that a full project-specific ESIA will be completed and will likewise benefit from public comment, this appears to be satisfactory analysis of potential environmental impacts. The United States requests that the final analysis be posted to the Bank's website during the comment period. In addition, greater attention to water use should be given in the detailed project specific ESIA's and in the environmental management plans given the water scarcity issues in the project area.

Although the aims and approach of the proposed project are positive, the United States is concerned by the inclusion of a 'voluntary local content' provision. This is an unwelcome departure from the Bank's principles of completely open international competition. Thus, while the overall aims and approach of the project are commendable, the United States would like to be recorded as abstaining on this project.