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EBRD AND BMCE INVEST IN KHALLADI WIND FARM IN MOROCCO



Image Source: <http://www.ebrd.com/news/2015/ebrd-and-bmce-invest-in-khalladi-wind-farm-in-morocco.html>

Renewable energy generation in Morocco has received a boost with an investment by the [European Bank for Reconstruction and Development](#) (EBRD), [Banque Marocaine du Commerce Extérieur](#) (BMCE) and the [Clean Technology Fund](#) (CTF) in the Khalladi wind farm in the vicinity of Tangiers.

The 120 MW wind farm is the first private renewable project financed by the EBRD in Morocco. The Bank and BMCE are providing a financing package of €126 million in equal tranches to [UPC Renewables SA](#). This funding will finance the construction, operation and maintenance of the wind farm contributing to Morocco's target to develop 2,000 MW of wind capacity by 2020. In addition the renewable energy produced is expected to reduce greenhouse gas emissions of over 200,000 tonnes of CO₂ per year.

The Khalladi wind farm will also be one of the first private renewable energy projects in the country to be developed under a renewable energy law that allows private producers to sell electricity directly to clients connected to the high voltage and medium voltage grid, mainly industrial companies. It will also be the EBRD's and BMCE's first renewable project relying on commercial offtake agreements and not on any state support.

Nandita Parshad, EBRD Director for Power and Energy Utilities, said: "This privately owned wind farm will sell electricity directly to major industrial players. It will help Morocco, which is reliant on imports of hydrocarbons, to make an important step towards a cleaner, more sustainable energy sector, but also towards better energy security."

Laurent Chabrier, EBRD Director of Morocco, said: "The EBRD is very pleased to support this private-to-private renewable project which does not rely on any kind of state support and which will set a replicable model for the high-voltage market as well as for the medium-voltage market once its opening will be confirmed."

M'fadel El Halaissi, Managing Director of BMCE, said: "Our country has significant growth potential in the renewable energies sector and BMCE is willing to support such projects that generate added value for both the operator and the nation."

Paddy Padmanathan, President and Chief Executive Officer of ACWA Power said: "The Khalladi wind project is ACWA Power's first greenfield venture in wind energy and reinforces ACWA Power's position as the leading participant in the Moroccan renewable energy sector. We value the role of the EBRD and BMCE in the debt finance component of the funding package for this project. This partnership reflects our confidence in the Kingdom's visionary strategy to achieve 42 per cent of energy production from renewables by 2020."

Rajit Nanda, ACWA Power's Chief Investment Officer added: "We are proud to be structuring the Khalladi wind project with the EBRD and BMCE; of special merit is the EBRD's continuous support to Moroccan authorities which makes projects such as the Khalladi wind project possible."

Abdellatif Nasserline, Managing Director of Infra Invest, the Fund Manager of ARIF stated: "We are proud to have co-developed this ground-breaking project for the power sector in Morocco, through the structuring of bankable private power purchase agreement and building fruitful partnerships with both ACWA Power and UPC."

Peter A Gish, Managing Director of UPC Renewables North Africa, said: "The EBRD's and BMCE's strategic roles in the financing are testament to the remarkable support the Khalladi wind project has received at the local, regional and national levels in Morocco."

The wind farm is the first project under the EBRD's new US\$ 250 million financing programme for renewable energy generation in the southern and eastern Mediterranean, which supports the generation of renewable electricity by private sector energy companies in Morocco, Egypt, Tunisia and Jordan. The EBRD loans under the programme are complemented by financing from the [Global Environmental Fund](#) and the Clean Technology Fund. In parallel, the EBRD continues to be actively engaged in policy dialogue with the Ministry of Energy to support further the gradual liberalisation of the power sector in Morocco.

The EBRD has been working in Morocco since 2012. To date, the Bank has invested €640 million in 22 projects across the country, in addition to over €150 million of trade facilitation credit lines with local banks.

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