
PRESIDENCY SUMMARY ON THE MEDITERRANEAN SOLAR PLAN CONFERENCE

VALENCIA, 11 AND 12 MAY

The Mediterranean Solar Plan (MSP) is one of the six initial projects with which the Union for the Mediterranean intends to answer the challenge of achieving a sustainable development of the region in a balanced and integrated way.

It was in this context that the Mediterranean Solar Plan Conference took part in May 2010 in Valencia. The Conference took stock of the steps taken so far and built on the basis of cooperation and political commitment.

The Spanish Presidency of the EU considers that the Conference was highly successful and well-attended, featuring interesting contributions from the guest delegations, industry, financial institutions and the European Commission.

The Conference evidenced the maturity of some aspects of the Plan. It also showed the maturity reached by some initiatives carried out in some of the countries involved in the field of the energy efficiency and renewable energy legislative, technology development and planning. These facts lead us to expect significant progress in the short term.

Summary of the Conference by the Presidency:

I) GENERAL

- The MSP should contribute to the Mediterranean region becoming a point of reference for energy sustainability through the promotion of cooperation and Euro-Mediterranean interrelationships above and beyond energy issues.
- The MSP should play a significant part in a number of fields and generate benefits for all of them:

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- i. Infrastructural: it should contribute to develop and improve local networks, integrate those at regional level, implement suitable interconnections and improve self-supply conditions.
 - ii. Economic: renewable energies should contribute to the economic development and improve the energy market.
 - iii. Social: the Plan should contribute to local capacity building through cooperation and training, technology transfers and joint research (expertise and knowledge).
 - iv. Environmental: as a tool that contributes to achieving environmental targets and combating climate change.
- The fact that most countries in the Mediterranean area are members of IRENA represents an additional instrument that supports the Plan.

II) KEY FACTORS

The key factors outlined below should drive economic development, improve the quality of life in the region and create reference knowledge and expertise hubs:

- The comparative advantages of the region to make the most of these clean technologies.
- The commitment of the European Union to fulfill environmental targets.
- The cooperation and willingness to collaborate of all members.

III) CURRENT TECHNOLOGY

Renewables represent an opportunity for local development, economic and social growth, industrial integration and R&D cooperation. The technology is ready to contribute to the implementation of projects. The presence of industry has facilitated the following:

- The technological development of **solar thermo-electric energy** is progressing at a good pace, which generates reasonable expectations regarding a significant cost reduction over the next few years. This enables the implementation of projects that are economically feasible. Besides, it has complementary and energy technology-mixing possibilities, which are key for the countries on the south Mediterranean shore.

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- **Photovoltaic Solar Energy** is considered to be a suitable technology for this Plan as it enables distributed generation and the participation of small local businesses. Its costs are coming down at the moment and this process is expected to continue thanks to technological advances, economies of scale and the increase in efficiency of production processes. Currently a number of countries have a budding industry in this technology. The biggest efforts are required with regard to institutional support, predictable regulation, incentivisation of the joint public-private partnership and appropriate training programmes for future professionals.
- **Wind energy** should also have a very important role in the Plan given the high potential of this resource in some of these countries and the degree of development of their technology.

IV) ENERGY EFFICIENCY

- All approaches included under the MSP should include energy efficiency criteria.
- Energy efficiency should be understood and approached in a global manner. Efficiency criteria should guide the initiatives developed for every sector (industrial, residential and transport) in every country in the Mediterranean area.
- In order to promote energy saving and energy efficiency policies there should be a social awareness and a convergence towards good practices. A training effort will be decisive.
- It is necessary to provide incentives to help the countries that need it the most. Technical cooperation and technology transfer is key in this regard to generate the local capacity that is required.
- Energy efficiency projects open the door to the participation of small and medium enterprises.

V) REGULATORY FRAMEWORK

- There has been progress in the regulatory frameworks of various countries, which is why it would be advisable to establish certain guidelines to make this development harmonized and coherent.

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- Several countries on the south shore of the Mediterranean already have energy plans that incorporate energy efficiency and renewable energies and have taken steps to incorporate regulatory convergence.
- These frameworks should provide stability and trust so as to promote investment. Only credible measures will generate the trust environment necessary to attract the necessary financing. Procedural rules should be clear and should guarantee security in investments.
- The national action plans to be submitted this year according to the EU Renewables Directive can represent an immediate opportunity in terms of the actions related to the MSP.
- The European Commission has announced the prompt adoption of an energy infrastructures package which will need to incorporate an obvious support to the Mediterranean Ring.

VI) FINANCING

- High financing requirements of renewable energies make it necessary to adopt new tools that include both the public and the private sectors, with the support of international financial institutions. Multilateral, diversified and balanced financing among all parties must be guaranteed.
- It is necessary that all projects guarantee a minimum financial benefit.
- It is necessary to invest in bottlenecks (interconnections and development of local networks) to achieve high cost-effectiveness for the Plan at a global level.
- It is necessary to make the most of all the existing mechanisms and market opportunities, such as carbon funds, EU support programmes, clean development mechanisms of the Kyoto Protocol, the Clean Technology Fund, the World Bank, etc.
- In this sense, the European Investment Bank (EIB) shows a clear will to incorporate its lending and technical support instruments to the actions derived from the Mediterranean Solar Plan. The EIB must reinforce its support, both technical and financial, to the deployment of MSP projects, in close collaboration with the Union for the Mediterranean Secretariat in

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Barcelona. It is necessary to facilitate new cooperation instruments that include the private sector and possible new investors.

VII) NEXT STEPS

- It is important to make the most of the newly established Secretariat for the Union for the Mediterranean. The Secretariat should drive key subjects such as governance and the implementation of the “strategy paper”.
- It is necessary to promote cooperation regarding regulation and market, on the basis of the positive experiences that the European Union has developed so far, for instance in the Energy Community of the southeast of Europe. Another question that remains open is how to integrate in the Mediterranean Solar Plan the different national efficiency and renewable energy initiatives which some countries of the southern shore have outlined at the Conference.
- We have reached a maturity point at which we need pilot projects to answer questions about the complexity of the process and serve as reference for new profitable projects. Besides, it is necessary to set up a number of such projects in the short term (two or three years).
- In the medium and longer term, we cannot dissociate the Mediterranean Solar Plan from energy infrastructures and from the Mediterranean Ring. We currently have a fully functioning interconnection that joins Europe and the southern shore of the Mediterranean through Spain and Morocco. We must continue to maintain a close cooperation in this regard. This cooperation will probably need to be approached from sub-regional levels.
- It is also necessary to coordinate industrial initiatives already in place (such as Desertec, Transgreen, Clean Technology Funds) and new ones related to the MSP.