

Environmental and Social Data Sheet

Overview

Project Name:	AGRO-FOOD PROGRAMME MOROCCO
Project Number:	2019-0010
Country:	Kingdom of Morocco
Project Description:	Investment programme including grain storage facilities and chicken broiler farms located in the four main Moroccan consumption regions.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The project consists of an investment programme aiming at enhancing the vertical integration of industrial chicken meat production in a private company in Morocco. The investment programme has different components with the overarching objective to further increase its integration in its chicken activities. It comprises (i) the expansion of the actual grain storage facility of the commodity trading activity to support the animal feed production capacity (ii) the building of several Day-Old-Chicks parent farms as well as the capacity extension of existing hatcheries, and (iii) the building of numerous chicken broiler farms, as well as the revamping of 5 existing farms, all located in the four main Moroccan consumption regions.

Within the EU, the project sub-components, except for the revamping and the capacity extension of existing facilities, would, by virtue of their technical characteristics, fall under the scope of Annex I or Annex II of EIA Directive 2011/92/EU as amended by the Directive 2014/52/EU. One sub component of the project (the expansion of the grain storage) does not fall under the EIA Directive. To comply with EIB environmental and social standards, the Promoter was required to prepare at least four Environmental and Social Impact Assessment (ESIA) Reports grouping subcomponents, based on the geographical localisation and type of activity. One ESIA Report out of four has been finalised in line with project programme progress. The environmental and social impacts of the remaining sub-components will be evaluated within the process for obtaining the building permits that will include specific public consultation on ESIA Reports, as the Moroccan national legislation does not require any environmental study or environmental decision for this type of activity.

The environmental and social appraisal of the project follows the programme lending approach and focuses primarily on the promoter's capacity and competence to implement the programme in line with EIB requirements.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100 000 tons CO₂e/year absolute (gross) or 20 000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 15 October 2019

The promoter set up a Safety, Health, Environmental and Quality (SHEQ) group charter on good governance and management based on international guidelines and the ISO 22000, OHSAS 18001, 9001 and 14001 standards. ZALAR adopted the IFC's Performance Standards as well as its Environmental, Health, and Safety guidelines (EHS Guidelines). An Environment, Health and Safety (EHS) manager at Group-level has been appointed in July 2014, based on the recommendation of IFC. Since then, EHS team has been strengthened with the staffing of three additional EHS officers. Comprehensive training plans have been established over the last years to support the effective implementation of ISO related management systems in Zalar subsidiaries, including on Quality (ISO 9001), Occupational Health and Safety (OHSAS 18001), and Food Safety (ISO 22000).

The promoter has implemented in 2014 a community engagement procedure as part of its ESMS, including a mechanism for receiving, addressing and resolving community grievances and complaints during the operational phase at all facilities. The content of this procedure follows IFC's Good Practice Note on Stakeholder Engagement.

To meet the EIB's requirements, the Promoter will review and update the ESMS to reflect the use of the existing grievance mechanism for the new projects.

Some sub-components of the project will require the application of best available techniques with the aim to ensure properly the management of odour, waste, emissions into the air and water, energy efficiency.

In addition, the completed ESIA Report for one of the chicken broiler farms complex has been reviewed. The Report assessed the impact of liquid discharges, solid waste, atmospheric emissions and noise pollution, changes in the landscape by the construction in regards the consumption of non-renewable resources (land), as well as the nuisance generated by operations and transportation.

The project will generate positive social outcomes by creating new local employment. No Involuntary Resettlement will happen as an effect of the project.

Public Consultation and Stakeholder Engagement

The ESIA Report already finalized will be published for a duration of at least 30 days on Promoter's website and subject to a public consultation.

For all other subcomponents subject to an ESIA, although some of them are isolated (there are no other activities/buildings/houses within a radius of 3 km due to biosecurity considerations), public consultation and stakeholder engagement on environmental and social aspects will be carried out during the process for obtaining the building permits, as required by the local legislation. The ESIA Reports will be published for a duration of at least 30 days on Promoter's website.

All material comments received by the Promoter during this process will be registered and considered in the final version of the ESIA Reports and in the project design, if applicable.

Conclusions and Recommendations

The Bank has reviewed the environmental and social capacity of the Promoter, including its organisation and procedures and considered them adequate.

Luxembourg, 15 October 2019

Based on the information available at appraisal stage, the subcomponent, for which the ESIA Report have been finalised, will have a moderate impact mitigated through adequate mitigation measures and considered acceptable .

The remaining sub-components of the project will be determined once the ESIA's Reports have been presented to the Bank for review. In this regard, the following conditions will be included in the Finance Contract:

Disbursement conditions:

For each sub-component of the project, the Promoter shall provide to the Bank electronic copies of:

- Final ESIA Report for publication on EIB public register, including the documentation of public consultation process to the satisfaction of the Bank;
- ;
- Building permit issued by the competent authority, and the pre-authorisation issued by the Office National de Sécurité Sanitaire des produits Alimentaires (ONSSA) for the scope of the project, including water permit.

Undertakings:

The Promoter undertakes:

- not to allocate the Bank's funds to the subcomponents, except for the revamping and the capacity extension of existing facilities including the grain terminals until the ESIA process (including public consultation) have been finalised to the satisfaction of the Bank;
- to store and keep updated for 5 years after completion any document as may be relevant for the project compliance with the provisions of EIB environmental and social standards and shall deliver such document to the Bank, upon request; and
- to maintain operational Environmental Health and Safety (EHS) system and its monitoring at least during the EIB loan maturity.