

Luxembourg, 24th November 2023

Environmental and Social Data Sheet

Overview

Project Name:	<i>INCLUSIVE AND SUSTAINABLE FORESTS IN MOROCCO</i>
Project Number:	<i>2022-0943</i>
Country:	<i>MOROCCO</i>
Project Description:	The project will support investments in national parks and watershed management, including infrastructure and institutional capacity, with a focus on mountainous regions.
EIA required:	This is a multi-scheme Framework Loan (FL) operation. Some of the schemes may require an EIA
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

The project consists of three components, and will be financed as parallel financing with the African Development Bank, the Promoter's own resources and the EU:

- Component 1: a tentative pipeline of eight watershed management schemes to rehabilitate forests, reduce erosion, conserve water resources, preserve soil fertility, enhance ecosystem services, protect basic infrastructure against flooding and promote income-generating agricultural and sylvo-pastoral activities.
- Component 2: a tentative pipeline of eight projects dedicated to sustainable natural resource management in national parks through conservation and rehabilitation of forest areas, implementation of biodiversity management measures and development of ecotourism.

The Promoter is the Agence Nationale des Eaux et Forêts (ANEF) and is responsible for overseeing the application of legislation and regulations related to sustainable forest management and biodiversity conservation. ANEF will benefit from technical assistance (TA) for project preparation and implementation.

Environmental Assessment

The Law n°12-03 of the Kingdom of Morocco on Environmental Impact Assessments (EIA) describes the content and procedure for carrying out EIAs. The only activities as part of this FL that are likely to require an EIA relate to afforestation projects involving a total area equal to or greater than 100 hectares.

The environmental authority in Morocco is assigned to the Sustainable Development Department of the Ministry of Energy Transition and Sustainable Development. The regions have their own decentralized environmental authorities, which are located within the Unified

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



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Regional Investment Commissions (URICs), which are public agencies managed by the Regional Investment Centres. The role of the URICs is to decide on the environmental acceptability of investment projects based on the EIA. The URICs will issue the environmental decisions, certificates, permits or licenses relevant for the implementation of the projects under this FL.

The ANEF produced its Environmental and Social Policy (ESP) in March 2022. This ESP supports the development of an Environmental and Social Management System (ESMS) and describes the environmental and social impact assessment (ESIA) process to be followed for projects.

Given the nature of investments supported by this operation, the schemes expected to be implemented as part of the FL are likely to fall within the categories of moderate-risk, low-risk or no-risk projects that would not require a full ESIA. If a scheme does require a full ESIA, its implementation will not start until it has received all necessary approvals from the relevant authority. In such cases, the Bank will also require the promoter to provide a full copy of the ESIA.

The activities to be implemented in the FL are not likely to have negative impacts on nature conservation areas due to their nature/type. In fact, these investments would support the further enhancement of nature and biodiversity conditions. Nevertheless, compliance with the National Forest and Biodiversity Legislation and the international conventions which Morocco has endorsed, as well as alignment with the EIB Environmental and Social (E&S) Standards will be further checked during appraisal of individual schemes under the FL.

An Environmental and Social Management Framework (ESMF) is being prepared and will be applied during the implementation of the whole project. The ESMF will be aligned with the EIB's E&S standards, and it will be used for screening the schemes against EIB's E&S policy and for identifying mitigation activities.

Environmental Impacts

Based on the information available on the tentative investment pipeline, it is expected that the potential schemes would deliver environmental benefits by further enhancing environmental services such as soil fixation, ecosystem protection and habitat improvement for biodiversity. This aspect will be further assessed during appraisal of individual schemes under the FL.

Climate change adaptation

The project will support climate adaptation by protecting national forest ecosystems, reforesting climate-resistant mixed forests, restoring watersheds and preventing forest fires, as well as increasing the resilience of the local population by promoting mixed agroforestry systems, beekeeping, and improved energy-efficient stoves. Forest protection and reforestation are essential for improving soil quality and restoring the balance of local ecosystems on which the local population depends. They also help communities in their efforts to increase their resilience to the effects of climate change.

Physical climate change risks

In terms of physical climate change risks, the sub-projects are exposed to risks such as e.g. drought, heat waves, water stress, increase in temperatures, or flood.

A Climate Risk Vulnerability Analysis will be requested at allocation stage and the schemes will have to take into consideration the adapted activities needed to mitigate the identified risks.

EIB Carbon Footprint Exercise

Through the various sub-projects supported, it is estimated that the operation will sequester and store carbon compared to the baseline situation, mainly by supporting human-assisted



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natural regeneration in protected and fenced areas, improving the management and carbon enrichment of existing forest ecosystems and by implementing soil and water conservation measures. This investment programme will further strengthen and support the National Determined Contribution of Morocco (revised in 2021).

EIB Paris Alignment for Counterparties (PATH) Framework

The project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience objectives in relation to the policies set out in the Bank's Climate Roadmap (CBR): Axis 1 (Building Resilience to Climate Change), Axis 7 (Protecting Nature) and Axis 8 (Farm to Fork). The sector is eligible under the CBR: *Investment in the conservation and restoration of nature and biodiversity*.

Social Assessment

As part of the ESMF, the Promoter is preparing a Livelihood Restoration Policy Framework (LRPF), with TA support. The LRPF will be complemented by the update of ANEF current Stakeholder engagement Framework and Grievance mechanism.

Compliance with EIB E&S standards, in particular standards 2 (stakeholder participation), 6 (involuntary resettlement) and 10 (cultural heritage), will be an ongoing commitment of the project.

ANEF's Environmental and Social Policy prohibits any production or activity requiring the use of forced labour² or child labour³. It also covers risks related to working conditions by integrating issues of discrimination, labour protection and occupational health and safety, along the lines of the World Bank's guidelines on environmental, health and safety issues.

Overall, the potential schemes considered for EIB financing are not likely to generate any physical displacement (permanent or temporary). Some degrees of economic displacement is likely to occur (loss of access to resources), for instance by temporary closure or fencing of areas. In these cases, ANEF would provide financial compensation for user associations as stipulated in order no. 1855-01 of 21 March 2002, which sets the extent of the fenced area for argan tree and forest species, and the value of the annual financial compensation for guarding of the area.

The project aims at improving the living conditions of vulnerable rural groups through the development of ecotourism and the supply of fruit plants, beehives and improved ovens.

The project is not expected to make a significant contribution to the Gender objective. Nevertheless, some of the schemes' activities will enable certain vulnerable groups of women to generate income from the sale of handicrafts through dedicated associations.

Public Consultation and Stakeholder Engagement

A **Stakeholders Mobilisation Framework (SMF)** has been developed by the Promoter as part of an ongoing project with the World Bank. These mechanisms comply with the provisions of the World Bank Group's standards and the requirements of Moroccan EIA law, as detailed in the public enquiry procedure set out in Decree No. 2-04-564 of 5 Kaada 1429 (4 November 2008). These mechanisms will be adapted to comply with the EIB's E&S Standards, in particular standard 2 (dialogue with stakeholders).

² As for ANEF's Environmental and Social Policy, forced labour is any work or service performed involuntarily, obtained from an individual under threat of force or punishment, as defined by the ILO conventions.

³ As for ANEF's Environmental and Social Policy, employees must be at least 14 years of age as defined by the ILO Fundamental Convention on Human Rights (Minimum Age Convention C138, Art. 2) unless local legislation specifies compulsory school attendance or a minimum working age. In such circumstances, the higher age should be used.



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ANEF has adopted a centralised complaint management system based on a network of focal points designated at the Agency's Central, Regional and Provincial Directorates. This complaint management mechanism comprises four stages: (i) receipt and registration of grievances, (ii) analysis and allocation of grievances, (iii) processing of grievances and (iv) closure and response to claimants. These complaint management procedures will be applied by the project.

ANEF has experience with the environmental and social standards of international financial institutions (IFIs), through projects with World Bank and AFD.

Other Environmental and Social Aspects

ANEF's environmental and social policy establishes a list of prohibited activities, such as certain hunting activities, trade in animals, plants or any natural products that do not comply with the provisions of CITES, the production, use or trade of pesticides/herbicides subject to an international ban or phasing out.

Conclusions and Recommendations

Given the nature of the operation (FL), the environmental and social impacts and mitigants will be evaluated at allocation stage. The Bank will require the Promoter to implement the sub-projects in compliance with the EIB Environmental and Social standards.

Overall, the project is expected to deliver positive net social and environmental benefits. Based on the information available, ESIA studies are unlikely to be required for the schemes. However, if required, these will be prepared according to the National Legislation and to the satisfaction of the Bank.

The Promoter shall provide the Bank proof of no negative impacts on biodiversity or that the appropriate mitigation measures are being taken according to the applicable national law, and with the principles of EU biodiversity strategy.

Conditions for first disbursement:

- The Promoter commits to update/finalize and submit to the satisfaction of the Bank the following documents: an Environmental and Social Management Framework (ESMF), Environmental and Social Management System (ESMS), Occupational Health and Safety Plan, Livelihood Restoration Policy Framework (LRPF), Labour Management Procedures (LMP) and Stakeholder Engagement Plan (SEP) including the Grievance Management Mechanism (GMM). All documents must be aligned with the EIB Environmental and Social standard.
- The Promoter commits to have an own standard procedure and an expert on Climate Risk Assessment in place for managing physical climate risks to the schemes of this operation, to the satisfaction of the bank (Climate Risk Vulnerability Assessment - CRVA).

Conditions for all allocations (disbursements):

- The Promoter shall not commit any EIB funds against schemes that require an ESIA and/or biodiversity assessment according to national law and EIB Standards without, prior to commitment, receiving the consent from the competent authority, and the ESIA having been reviewed by EIB and made available to the public.
- For schemes (to be procured as works) not requiring ESIA according to national laws and EIB E&S Standards, the Promoter will conduct an identification and analysis of stakeholders and put in place a Grievance Mechanism acceptable to the Bank.



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- For schemes entailing economic displacement, the promoter will prepare and submit satisfactory to the Bank a Livelihood Restoration Plan (LRP) in line with the LRPF and EIB standards.

The following E&S relevant undertakings shall be adhered to for all schemes under the FL:

- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the ESIA, Biodiversity Assessments, Environmental, Social Management Plans, Livelihood Restoration Plans and Stakeholder Engagement Plans) to be provided to the Bank upon request.
- The Promoter shall implement and operate the Project in compliance with EIB's Environmental and Social Standards, the ESMF and related management plans, as well as ILO core labour standards, in particular with the inclusion of provisions (for contractors) for the respect of principles of equal treatment, non-discrimination in employment, anti-trafficking in person and gender-based violence at the workplace, and equal access for men and women to employment opportunities and grievance mechanism.
- Schemes triggering (i) buildings rehabilitation containing asbestos (ii) significant physical resettlement or (iii) adverse impact on local communities will not be considered for EIB financing.
- The Promoter shall assure that compensation has been paid to the people affected by the schemes, before start of the relevant works on the project sites, and according to EIB Standards and the established RPF.