

Environmental and Social Data Sheet

Overview

Project Name: FEC MUNICIPAL INFRASTRUCTURE FL

Project Number: 2016-0352

Country: Morocco

Project Description: FL to support infrastructure investments by local, provincial and regional authorities throughout Morocco.

EIA required: This is multi-scheme Framework Loan operation. If located in the EU, some of the schemes might have fallen under Annex II of the EIA Directive and would need to be screened by the Competent Authority.

Project included in Carbon Footprint Exercise: no

Environmental and Social Assessment

Environmental Assessment

The operation is structured as a Framework Loan (FL) and will include investments in Urban Infrastructure, Sustainable Mobility, Energy Efficiency, Renewable Energy, Water, Solid Waste and ICT. It is envisaged that mainly small size investments (cost below EUR 5m) will be included in this operation. However at appraisal stage, individual schemes were not confirmed.

The project schemes will be located in Morocco mostly at municipal level. Schemes will be part of urban or regional development plans and urban action plans (PAC: Plan d'Action Communal). The Moroccan environmental legislation presently does not provide for Strategic Environmental Assessment (SEA) of plans and programmes. Nevertheless, Morocco has a relatively developed and coherent environmental legislation¹. Under the terms of this legislation, National/Regional Committees for EIA give their opinion on the environmental acceptability of projects subject to EIA once the public inquiry has taken place.

Regional EIA committees have been established throughout the Kingdom and are responsible for approving EIAs for projects below a MAD 200 million threshold, something which facilitates the involvement of local stakeholders in the management of the EIA system and reduce delays in the review and approval of EIAs. The introduction in 2011 of the public inquiry introduces a number of additional administrative steps, including the translation of the Non-Technical Summary (NTS) into Arabic, the establishment of registers in each municipality in the project area and the publication in media.

Given the relative small size of the individual schemes and the nature of the sectors concerned, most of the schemes are deemed not to have significant environmental impacts or require an Environmental and Social Impact Assessment (ESIA). Should any scheme require an EIA, the Promoter shall deliver the NTS of EIA having been made available to the public,

¹ The principal laws of Moroccan environmental legislation are the "Loi Cadre 11-03" on the protection and enhancement to the environment and the "Loi n° 12-03 du 12 mai 2003" on environmental impact assessment (EIA). Furthermore the "Décret n° 2-04-564 du 4 novembre 2008" lays down detailed rules for the organization and the conduct of the public inquiry of projects subject to EIA and the "Décret n° 2-04-563 du 4 novembre 2008" defines the responsibilities and functioning of the National Committee for EIA (CNEIE) and Regional Committees for EIA (CREIE).

Loi n° 22-07 relative aux aires protégées du 16 juillet 2010 defines the protected areas and their management.

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the EIA document and, if applicable the social assessment, to the Bank before the Bank's funds can be allocated to the scheme concerned. Where applicable, the Borrower shall ensure that promoters of individual projects implement, to the satisfaction of the Bank, an environmental and social management plan, a livelihood restoration plan, and a stakeholder engagement plan.

Schemes are expected to be located outside the vicinity of any protected area, having no effect, potential or likely on them. Nevertheless, for schemes with potential or likely effect on conservation protected sites, Forms A or B of the EIB, or equivalent will be required.

The Promoter is Fonds d'Equipement Communal (FEC), which acts as financial intermediary. FEC is a geographically diversified Moroccan public bank, experienced in municipal and regional projects and maintains teams with sectorial expertise. The project will be managed by FEC and individual schemes will be implemented by local, provincial and regional authorities as well as by local public companies.

The project's impacts at the construction stage are expected to be short-lived and reversible, at a level which is deemed acceptable. When needed, special mitigation measures will be considered in the designs in order to minimise impacts.

The project is expected to contribute to the overall improvement of the urban environment, contributing also to climate mitigation through sustainable building refurbishment, and mobility measures decreasing local traffic-related emissions. The project is also expected to contribute to electricity generation from more sustainable/renewable sources, and energy efficiency improvements in lighting and buildings. In addition, some water and urban infrastructure schemes are expected to contribute to climate adaptation.

Social Assessment

Based on the information available about the nature and types of schemes, no significant negative social impacts are expected. On the contrary, the project is expected to have some positive local socio-economic impacts such as providing local employment opportunities during the construction and operation phase.

In addition, the road safety is expected to improve as the project will rehabilitate the urban road network and public lighting. The foreseen investments in sewerage, water and wastewater treatment are expected bring both improvements in public health and in time savings, in particular for women, as it affects the time they spend on household tasks, such as obtaining water.

No involuntary relocation or displacement of persons, dwellings is expected to arise from the proposed project since most schemes are expected to be implemented on the sites of existing facilities. However, in case of any scheme requiring relocation or displacement of people, the allocation shall be in line with EIB social standards and be approved ex-ante by the EIB.

Public Consultation and Stakeholder Engagement

The schemes to be part of this FL should be in line with relevant urban and regional development plans, which are subject to public consultation. In addition, public enquiries will take place for all project schemes requiring ESIA (Environmental Social Impact Assessment). This will enable the population to consult the Non-Technical Summaries (in both French and Arabic) and to provide comments and proposals about the project by filling the registers established in all the municipalities in the project area. The duration of a public inquiry is twenty days. At the end of this period, a commission will prepare the report of the public inquiry summarising comments and proposals about the projects made by the population. This report will be transmitted to the relevant national or regional committee and will be taken into consideration for the assessment of the environmental acceptability of the project.

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Other Environmental and Social Aspects

Labour Standards

Morocco has ratified seven of the eight ILO Core Labour Conventions, not having ratified Convention 87 on the Freedom of Association and Protection of the Right to Organise. In order to ensure that the core principles and standards of Convention 87 are nevertheless upheld throughout the Project, provisions will be required in the tender documents for works relating to the Project, which would apply to the main contractor and first-tier sub-contractors.

Occupational and Public Health, Safety and Security

EIB health, safety and security standards are expected to apply to the Promoter and contractors alike, throughout the duration of the Project.

Conclusions and Recommendations

The project intends to have long-term positive environmental and social impacts in terms of employment and economic activity, social cohesion and inclusion, and to contribute to a higher standard of living in cities in Morocco.

All schemes must comply with the EIB Environmental and Social Principles and Standards, as contained in the Volume 1 of the EIB Environmental and Social Handbook. FEC shall carry out environmental and social due diligence as part of its overall due diligence process before EIB funds are allocated to the schemes concerned.

The institutional capacity of FEC to manage the environmental and social issues is deemed acceptable. Therefore, given the nature of the operation and the procedures concerning ESIA and nature protection put in place by the promoter, subject to the conditions mentioned in this ESDS, which are included in the Finance Contract, the Framework Loan is acceptable in environmental and social terms.