

## Environmental and Social Data Sheet

### Overview

Project Name:	BMCE LIGNE BLEUE
Project Number:	2016-0852
Country:	Morocco
Project Description:	Multiple beneficiary intermediated loan with BMCE to finance high impact small scale water treatment, reuse and wastewater treatment projects for industries, water intensive private entities as well as public sector water operators "regies" in Morocco.
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
The operation would be open to components which might require an ESIA according to national legislation.	

### Environmental and Social Assessment

#### Environmental Assessment

This programme, intermediated by Banque Marocaine du Commerce Extérieur (BMCE), will comprise small scale water treatment, reuse and wastewater treatment projects for industries, water intensive private entities as well as public sector water operators "regies" in Morocco.

Industrial pollution is a strategic challenge in Morocco. This sector is still under-equipped with adequate wastewater treatment facilities prior to a direct or indirect discharge. The pipeline of projects has not been determined, and details about their environmental and social impacts and mitigation measures cannot therefore yet be assessed. However, the projects are expected to have an overall positive impact on the environment, by reducing environmental, public health impact from wastewater disposal. By implementing more efficient water technologies and reuse systems, the projects will also contribute to reducing water usage and to creating a circular economy in Morocco. By reducing water usage and dependency, the facility is also expected to contribute strengthening water security for industries to adapt to climate change. Indeed, climate change represents a risk on disruptions in the availability of water of sufficient quality that can have severe direct, negative impacts on economic activity with disruption of production and value chains in the country.

The intermediary bank's in-house capacity in environmental risk management is judged to be high. The bank signed the UNEP Financial Institutions Principles for Responsible Investment in the year 2000, the Equator Principles in year 2010, and the bank was ISO 140001 certified in 2011.

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 23.06.2017

The intermediary bank and beneficiaries will be supported by technical assistance (TA) provided by the Bank and the co-financier Agence Francaise de Developpement. The TA will support the intermediary bank in their environmental and social screening of projects.

Industries already connected to a public sewer system and a treatment facility (i.e. indirect discharges) in Morocco must comply with the requirements of the local legislation in order to prevent the introduction of pollutants into the public treatment facility that would interfere with the operation of the facility or pass through it into the receiving waters. With regards to direct discharges, the EIA system in Morocco is based on two laws adopted in January 2003: Law 11-02 which establishes the general principles of the national environmental policy; and Law 12-03 which establishes the rules and procedures of the EIA. The latter includes a list of project types for which an ESIA is obligatory. Wastewater treatment plants are subject to an ESIA. The Government has also published decrees completing the legal and regulatory framework for the ESIA system, including regulations related to public consultation, and decentralized EIA review and validation. Regional ESIA committees have been established throughout the Kingdom and are now 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 reduces delays in the review and approval of EIAs. Some of the projects under the scope of this operation could fall under Annex II of the European Directive 2011/92/EU.

### **Social assessment**

Social impacts could include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction, and will be addressed as part of the planning for each component.

### **Public Consultation and Stakeholder Engagement**

The beneficiaries will be required to facilitate access by the public to environmentally relevant information in accordance with national legislation. Public consultation is a fundamental aspect of the ESIA framework stating that comments and suggestions of project stakeholders, both public and private, must be considered.

### **Other Environmental and Social Aspects**

By implementing more efficient water technologies and reuse systems, the projects will contribute to creating a circular economy in Morocco. By reducing water usage and dependency, the projects are also expected to contribute strengthening water security for industries to adapt to climate change.

## **Conclusions and Recommendations**

The following main conditions relating to E&S will be included in the Finance Contract:

- The Borrower shall not commit any EIB funds against projects that require an Environmental and Social Impact Assessment (ESIA) or biodiversity assessment according to national law without, prior to commitment, receiving the consent from the competent authority, and the Non-Technical Summary of the ESIA having been made available to the public. For projects for which the competent authority does not require an ESIA, should EIB determine that a full environmental and social impact assessment (ESIA) would be required in line with its Environmental and Social



Luxembourg, 23.06.2017

Standards, the completion of the full ESIA or the remaining steps to complete an ESIA will be required.

- The Borrower shall ensure that promoters of individual projects implement, to the satisfaction of the Bank, the environmental and social management plan, the livelihood restoration plan where applicable, and the stakeholder engagement plan.

Taking into account the contribution of this programme to the reduction of environmental, public health and climate impacts from current water management practices, and considering the high environmental and social capacity of the intermediary bank, the Project is considered acceptable from an environmental and social perspective, subject to the conditions mentioned above.