



Concept Environmental and Social Review Summary

Concept Stage

(**ESRS Concept Stage**)

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I. BASIC INFORMATION

A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year
P500402	Investment Project Financing (IPF)	Morocco Oasis	2024
Operation Name	Morocco Sustainable Oasis Ecosystems Management for Climate Resilience, Inclusion and Green Jobs		
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)
Morocco	Morocco	MIDDLE EAST AND NORTH AFRICA	Environment, Natural Resources & the Blue Economy
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date
Agence Nationale pour le Développement des Zones Oasiennes et de l'Arganier (ANDZOA)	Agence Nationale pour le Développement des Zones Oasiennes et de l'Arganier (ANDZOA)	17-Oct-2023	30-Nov-2023
Estimated Concept Review Date	Total Project Cost		
10-Jul-2023	12,000,000.00		

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Proposed Development Objective

The Project Development Objective (PDO) is to strengthen the sustainable oasis ecosystems management for climate resilience in Aoufouss oasis region of Morocco.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities



Project Description: The Project has four components summarized below: (1) Improve the Environmental and Economic Management of Oasis Landscapes; (2) Sustainable Investment in Oasis Landscapes; (3) Piloting of Innovative Payment for Ecosystems Services and Nature-Based Solution for Green Jobs and Rural Resilient Index Based Targeting of Vulnerable Communities and Households; and (4) Institutional Strengthening for Sustainable Oasis landscape Management and Project Management. Linkages/Synergies with Other World Bank Operations: This PROGREEN Trust Fund IPF in the amount of US\$12 million RETF and US\$350,000 BETF and Morocco Climate Operation / Support to NDC which is a PforR Program (P178763) are intricately linked and complement each other. Specifically, the Recipient Executed Trust will finance activities that will develop and pilot innovative Oasis landscapes protection and restoration activities in the Aoufous region that will then be adopted and scaled up by the PforR Program in other parts of Morocco. In particular, this proposed project will provide robust capacity building to institutions such as ANDZOA, ANEF and other related institutions that are implementing the PforR program. It will also build the Monitoring, Evaluation and Reporting Systems of Institutions in Morocco to become consistent with international best practices and thus is the cornerstone for the sustainability of the achievements of the PforR Program. Thus, they are both presented as one package to the client, in terms of processing instrument, the PROGREEN financed activities will be processed as an IPF as requested by the client. In addition, this proposed project will pilot and operationalize the innovative Payment for Ecosystems Services and Green Jobs Scheme and Rural Resilient Index Based Targeting of Vulnerable Communities and Households that will be Developed by the PROGREEN RETF. These envisaged successful innovative pilots will be subsequently scaled up and replicated by World Bank-financed PforR Morocco Climate Operation / Support to NDC (P178763) and Government to other parts of Morocco.

D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

The Oasis area is located in the South and South-West of Morocco, covering about 115,000 km² with 1.7 million inhabitants. Distributed along the non-perennial rivers (oueds) and on the shallow aquifers, the Moroccan oases are characterized by a strong irregularity of rainfall in time and space with annual rainfall not exceeding 60 mm. Climate change, through the reduction in annual precipitation and the rise in temperature, has increasingly harmed the delicate balance that allows the oasis ecosystem to function and regenerate.

The selected intervention area for the project is the Great Valley of Aoufouss (15 oases, 15 villages spread across 2 rural communes, Aoufouss and R'teb) covering an area of 4,000 hectares, in the province of Errachidia, in the Draa Region. This area is known for its high vulnerability and significant yet underutilized potential.

The great valley of Aoufous includes two territorial municipalities: The municipality of Aoufouss and the municipality of R'teb, known for their high vulnerability and underutilized potential. Despite the significant efforts made by Morocco, including the implementation of various programs and strategies for the protection and development of oases, several deficits persist. Within the oasis's ecosystem of these municipalities, additional challenges such as droughts and extreme weather events are observed. Most critically, the oasis region is particularly exposed to water scarcity with a per capita availability of renewable water resources of 530 m³/year/inhabitant (compared to the national 620 m³/year/inhabitant).

The physical characteristics of the project area include limited water resources, which pose challenges for agricultural activities and sustainably managing the oasis ecosystems. Soil quality is another critical aspect, with concerns about



degradation and salinization, which can affect agricultural productivity. The oasis landscapes provide essential ecosystem services, such as provisioning food and fresh water to local populations and protecting against natural hazards, such as desert encroachment.

The oasis economy makes up less than 4 percent of Morocco’s GDP and a large share is focused on agriculture (25 percent), when nationally agriculture contributes about 13 percent of GDP.

From a social perspective, in 2021, poverty rates in oases were higher than the national average with 16 percent of the population living in multidimensional poverty in comparison to 9 percent nationally. The project area is home to oasis communities whose livelihoods depend on agriculture, local resources, and remittances. The project aims to address social insecurity and enhance the environmental management of oasis resources to improve the well-being of these communities. Additionally, the region has significant potential for economic development through activities like ecotourism and the development of new value chains.

D.2 Overview of Borrower’s Institutional Capacity for Managing Environmental and Social Risks and Impacts

The National Agency for the Development of Oases and Argan Zones (Agence Nationale pour le Développement des Oasis et des Zones d'Arganier - ANDZOA) will be responsible for executing and coordinating all project activities, and for ensuring that the results obtained are in line with the project documents and related agreements.

ANDZOA was established in 2010 , to coordinate the public action in the Oasis and Argan region98: The mandate of ANDZOA is therefore, to improve the living conditions of the local population by promoting an integrated and sustainable management of the oasis, with a particular focus on water resource management and unlocking the potential and opportunities linked to agriculture (incl. promotion of high value-added organic agriculture) as well as ecotourism.

This operation will be the first ESF project that ANDZOA will be the implementing. During the project preparation an E&S institutional assessment capacity will be conducted with relevant gap filling measures proposed.

An E&S specialist (with qualifications and experience in gender inclusion and risk management) will be assigned in the project management unit (PMU) to ensure the smooth E&S project preparation and monitor the implementation of environmental and social aspects. The institutional assessment mentioned above will determine whether additional E&S will be needed during the project implementation. The ESCP will include relevant capacity building measures to support the PMU among other in tender documents and the periodic E&S reporting.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

A.1 Environmental Risk Rating

Substantial

The overall rating of the environmental risk is estimated to be Substantial. Most of the proposed activities are aimed at having global environmental and social positive impact. Given the nature of the activities and ecosystems involved in the project, its E&S risks and impacts are envisaged to be temporary, predictable and/or reversible, they are medium in magnitude and/or in spatial footprint. Given the nature of the activities , the ecosystems involved in the project and due to the civil works activities planned under Component 2 (rehabilitation, upgrading, re-purposing or

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equipping of small community socio-economic infrastructure, rehabilitation of some rural roads, Small irrigation canals, Water...) the Project is not highly complex, its E&S risks and impacts are envisaged to be temporary, predictable and/or reversible, they are medium in magnitude and/or in spatial extend, and the effects of the project on areas of high biodiversity value or sensitivity, as the traditional oases, are expected to be substantial. Potential environmental risks and adverse impacts associated with project activities are mainly linked to water, soil, and air pollution. These may include: (i) alteration of air quality by dust flights during rehabilitation works/construction (ii) noise and vibration from moving of construction vehicles and machinery; (iii) contamination of surface water by residues of hydrocarbons, lubricants, oils and suspended solids; (iv) labor and working conditions including traffic safety. There are also risks associated with hazardous wastes. Some of these impacts will be site specific and will be managed through a systematic manner throughout the project cycle with solid mitigation measures proportionate to the nature and scale of the project. The potential for indirect and cumulative impacts exists (specifically on water resources) but they are less severe and more readily avoidable or mitigated. The OP 7.50 on international waterways will be triggered. According to the rapid screening via IBAT tool, the oasis of Aoufouss in Morocco is identified as a sensitive area due to the presence of species of conservation concern. The screening results highlight the importance of preserving and protecting the biodiversity in this oasis landscape.

A.2 Social Risk Rating

Substantial

Social risks and impacts related to the project may include, but are not limited to: 1) economic and social exclusion for vulnerable groups including people with disabilities as well as informal workers; 2) risks linked to the commercial use of cultural heritage and lack of ownership of local communities; 3) temporary restriction on land and water uses and access to ecosystems services -mostly linked to the restoring of the oasis ecosystem functions and conditions including the rehabilitation of Traditional Water Infrastructure as well as the restoration of tourist and scenic areas and sites ; 4) eruption of social conflicts (ex: linked to water use) 5) children’s safety as the program also tackles the transfer of inter-generational knowledge through awareness raising campaigns for young pupils ; 6) land acquisition; 7) risks linked to poor management of labor in project units and for contractors. Project activities will be confined within the boundaries of the oases.

B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

ESS1 is relevant. The infrastructure works in the proposed project will undoubtedly bring many positive benefits to communities such as improved livelihoods, improved accessibility to infrastructure and enhanced social inclusion. However, the implementation of activities (rehabilitation, upgrading, re-purposing or equipping of small community socioeconomic infrastructure) and operation of facilities will have negative environmental impacts and Nuisances and risk for populations living near the intervention area. The risks associated with these activities during the construction and operation phase are mainly linked to occupational health and safety (OHS), community health and safety, and water, soil, and air pollution. Implementation of the related sub-components, may also result in negative indirect and cumulative effects on the delicate oasis ecosystem. The construction or rehabilitation of physical infrastructure in or near the oases can contribute to waste generation and land speculation. Furthermore, the development of ecotourism may lead to increased human activities, posing risks of disturbance to the local fauna, flora, and accidental

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fires. Ecosystem services and the sustainable use of natural resources are also at risk. Additionally, a Cumulative Impact Assessment on Biodiversity will be conducted during the early stages of project preparation as part of the ESMF. Oases play a vital role in providing food and fresh water to local populations, protecting the area from natural hazards like desertification, and serving as recreational and aesthetically valuable spaces. Careful assessment and mitigation measures will be required to ensure that these potential risks and impacts are properly addressed during project implementation. Social Potential risks include the possibility of excluding economically and socially vulnerable populations, such as individuals with disabilities and informal workers who operate in sectors associated with high pollution or resource consumption. These groups may encounter challenges in terms of affordability and accessibility when attempting to transition to the environmentally-friendly green economy. The risks also include temporary restriction on land and water uses and access to ecosystems services. Given the cultural heritage constituent identified mainly in sub-comp 1-1, the risk of exclusion and unequal share of benefits among the community's relevant stakeholders has also been identified since the designation of historic oases as national heritage sites could also have indirect negative impacts. For instance, the commercialization of these specific sites may negatively impact the economic activities in other oases and the revenue of other craft people. Communities who live in the historic sites might also be exposed to further resource scarcity with the influx of visitors. Furthermore, the components' activities could also result in social conflicts among all the stakeholders and beneficiaries, as well as an increase in SEA, SH, and other forms of GBV. Thus to avoid or mitigate these risks related to the project, the Borrower under the coordination of ANDZOA will prepare an Environmental and Social Management Framework (ESMF) that will set out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts. It will propose measures and plans to reduce, mitigate and/or offset adverse risks and impacts, provisions for estimating and budgeting the cost of such measures, and information on ANDZOA for addressing project risks and impacts, including on its capacity to manage environmental and social risks and impacts. The ESMF will be prepared and disclosed prior the completion of the Appraisal stage. The ESMF will ensure proper consultation with project beneficiaries, before appraisal, as established by the implementing agency. Relevant E&S requirements will be part of the Operations Manual (OM). The relevant WBG EHS guidelines and international good practices applicable to the project will be reflected in the ESMF. The CHMP, LMP, the CIAB and SEA/SH plan will be integrated in the ESMF. The SEA/SH plan, in turn, will cover exclusion risks and risks of SEA/SH towards project workers and towards project beneficiaries. As to the RF and due to the limited resettlement impacts anticipated under this project, the ESCP will include necessary actions. For supplies and equipment procurement activities, the E&S team will work closely with the procurement team to ensure that procurement procedures for supplies and equipment take into account the environmental and social requirements of the ESF. The ESMF will also cover activities relating to capacity building with training on environmental and social requirements for implementing agencies and other key stakeholders of the project.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

The stakeholder engagement plan will include both other interested parties (OIPs), various beneficiaries and directly impacted project affected persons (PAPs), including disadvantaged and vulnerable groups. Primary stakeholders include: ANDZOA, Hydraulic Basin Agency (ABH), Office National du Conseil Agricole (ONCA), Direction Regionale Agricole (DRA), Direction Regionale de l'Environnement (DRE), Office Regional de Mise en Valeur Agricole (ORMVA), farmers at oases and oasis farmers' associations, female community members, Craft people, small and medium entrepreneurs. Additional stakeholders are: the inhabitants of the oasis; farm produce traders; labor representation and unions. A stakeholder Engagement Plan (SEP) proportionate to the nature and scale of the project and its potential risks and impacts will be prepared prior to appraisal. The SEP will describe the timing and methods of



engagement with stakeholders throughout the life cycle of the project as agreed between the Bank and the Borrower, distinguishing between project-affected parties and other interested parties.

ESS2 - Labor and Working Conditions

Relevant

The proposed project is expected to use direct workers (number yet determined), contracted workers and potentially Primary supply workers. The project is anticipated to have low to moderate risks and impacts concerning occupational health and safety (OHS), primarily due to the minor nature of civil works involved, but it is important to consider the nature of employment in the program area which is characterized by high levels of vulnerability and insecurity with a weak presence of migrants and an absence of refugees. The project aims to improve environmental management of oasis resources and reduce social insecurity while emphasizing participatory planning and implementation aligned with the stakeholder engagement plan. Building on the experience of ANDZOA, measures will be implemented to identify and address potential OHS hazards, provide necessary training, maintain records, and establish protocols for accident reporting and emergency response. The project management unit (PMU) and contractors will develop comprehensive labor management plans in compliance with national laws and ESS2 requirements, covering aspects such as working conditions, equal opportunity, child labor, grievance mechanisms, and occupational health and safety. The PMU will also prepare an SEA/SH Prevention and Response Action Plan (integrated in the ESMF) to set out measures and actions to assess and manage the risks relating to sexual exploitation and abuse as well as sexual harassment, such as requiring trainers and workers to adopt and implement measures against sexual harassment and sexual exploitation and abuse including the application of a Code of Conduct for all project workers. The Environmental and Social Management Framework (ESMF) will assess the OHS risks and propose mitigation measures to be integrated into the labor management procedures and contractors' plans. The Labor Management Procedure will be prepared and integrated in the ESMF and disclosed prior to project Appraisal completion.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Relevant

The project aims to enhance the use of renewable energy sources, such as Solar PV for lighting. The project will also support the construction and development of essential basic infrastructure (this includes the installation of drinking water supply systems). However, it is important to consider potential risks and impacts on water resources that may arise from activities like derivation hydraulic infrastructure and developing ecotourism and establishing new value chains. The ESMF will propose relevant screening process for subprojects with potential significant risks or impacts on oasis water resources. The solar PV procurement process will fully be in compliance with the WBG requirements on solar PV. Additionally, during the construction phase, proper management of waste generation, hazardous materials, air emissions, and noise will be ensured through the preparation and implementation of site-specific E&S documents.

ESS4 - Community Health and Safety

Relevant

Construction activities pose typical risks and impacts to community health and safety, including vehicle traffic, dust, noise, vibrations, hazardous materials, labor influx, and structural and site access issues. It is not expected that the project will not directly employ or contract workers for security purposes. The ESMF will comprehensively assess these risks and impacts, proposing solutions to avoid or mitigate them through the site-specific E&S documents. The SEA/SH prevention and response plan will further complement the ESMF's risk assessment and focus on the measures and actions to mitigate the substantial risk of SH/SEA through proportionate and comprehensive measures. Furthermore,

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the project gives importance of ecosystem services provided by the oases, such as provisioning food and fresh water to local populations and protecting the area from natural hazards like desert encroachment.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Relevant

Minor civil works and modified or new land management schemes may induce Land acquisition, restrictions on land use and involuntary resettlement, which in turn could lead to other social impacts including conflicts hence the importance of meaningful stakeholder engagement. Acquisition of land is, however, expected to be very limited. It is very unlikely, that project activities will induce major land changes. Physical displacement is not expected, but economic displacement cannot be excluded. Quantity of land to be potentially affected, and likewise number of project affected persons (PAPs), cannot be estimated at this early stage in the project preparation process. Potential losses of land and potential number of PAPs, will be further reviewed and quantified (estimated) at appraisal stage ESRS. Due to the limited resettlement impacts anticipated under this project, the ESCP will include actions based on the resettlement framework.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

The proposed project activities funded in the oasis landscapes pose risks and impacts on the fragile ecosystem, including the gradual disappearance of key vegetation layers that support biodiversity of flora and fauna. These activities, such as physical infrastructure development, innovative cultivation methods, renewable energy utilization, ecotourism, and value chain creation, may also contribute to soil quality degradation, particularly in areas already threatened by salinization. Although oases ecosystems have been modified by human activity, they still hold significant biodiversity values and are considered fragile. The Environmental and Social Management Framework (ESMF) will thoroughly assess these risks and impacts, particularly those with substantial effects on biodiversity. The ESMF will prioritize the screening and mitigation of activities with substantial or high impacts on biodiversity, ensuring necessary measures are implemented to avoid or mitigate residual impacts. Additionally, a Cumulative Impact Assessment on Biodiversity will be conducted during the early stages of project preparation. Given the limited spatial extent of the Project and the Client's understanding and experience in the region and specifically the great valley of Aoufouss, it is expected that the Action Plan resulting from the Cumulative Impact Assessment on Biodiversity (CIAB) will be finalized before the commencement of any project activities. The client is actively committed to completing this evaluation as part of the ESMF. As the scope, the IPF will focus on the Aoufouss Oasis (4000 HA) where the ANDZOA is actively working with multiple actors in the program area. The Environmental and Social Commitment Plan (ESCP) will provide further clarification on the timelines for each activity. The client will consider the combined effects of the project along with other existing and planned activities in the area. The outcomes of the CIAB will identify the appropriate measures to mitigate any adverse effects on biodiversity. Furthermore, the ESCP, in alignment with the ESS1 and ESS6, will lay out E&S Avoidance actions and mitigation to be designed prior to the start of Project activities for safeguarding biodiversity, promoting sustainable practices, but also engaging with local communities and stakeholders. The outcomes of this assessment will be utilized to inform and integrate into the project design for improved environmental management.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant



There are no communities in the identified project areas that fulfill the Bank's definition of indigenous people, although popular culture may associate oasis with indigenous people. This ESS is not considered relevant to the Project. Indeed, there were no communities or groups of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area.

ESS8 - Cultural Heritage

Relevant

This standard is relevant as Sub-component 1.1 promotes historic oases as national cultural and natural heritage sites. The project contributes to creating and implementing an innovative and dynamic approach aimed at designating oases in Morocco as National Heritage Oasis Sites (NHOS) and aligns with the “development of a resilient model of the oasis ecosystem’ of ANDZOA. Granting NHOS status to historic oases will ensure legal protection for their conservation, reduce negative impacts on their functions, and increase their resilience to the impacts of climate change. Through the environmental and social assessment, the PMU of ANDZOA , will determine the potential risks and impacts of the proposed activities linked to the commercialization of cultural heritage. The PMU of ANDZOA will also prepare a Cultural Heritage Management Plan as part of the ESMF. As part of the culture heritage assessment, the ANDZOA will carry out meaningful consultations by identifying, in accordance with ESS10, stakeholders that are relevant for the cultural heritage that is known to exist or is likely to be encountered during the project life cycle. Stakeholders will include, as relevant: (a) project affected parties, including individuals and communities within the country who use or have used the cultural heritage within living memory; and (b) other interested parties, which may include national or local regulatory authorities that are entrusted with the protection of cultural heritage and nongovernmental organizations and cultural heritage experts, including national and international cultural heritage organizations. All related actions will be documented in the ESMF and the timeline for their implementation detailed in the ESCP.

ESS9 - Financial Intermediaries

Not Currently Relevant

This ESS is not relevant to this project. The project will not employ the services of financial intermediaries.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

Yes

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

The Project will not rely on the Borrower’s Framework but will comply with all relevant national environmental and social laws, policies, and regulations since there are not conflicting with ESF provisions.

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Use of Common Approach

No

NA

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

III. CONTACT POINT

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IV. FOR MORE INFORMATION CONTACT

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V. APPROVAL

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