

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.:

Date ISDS Prepared/Updated: 04/12/2011

I. BASIC INFORMATION

A. Basic Project Data

Country: Morocco		Project ID: P121917	
		Additional Project ID (if any):	
Project Name: MOROCCO - MUNICIPAL SOLID WASTE CARBON FINANCE PROGRAM			
Task Team Leader: Jaafar Friaa			
Estimated Appraisal Date: May 2011		Estimated Board Date: n/a	
Managing Unit: MNSSD		Lending Instrument: n/a	
Sector: Urban			
Theme: Carbon Finance			
IBRD Amount (US\$m.):	0		
IDA Amount (US\$m.):	0		
GEF Amount (US\$m.):	0		
CPF Amount (US\$m.):	20		
Other financing amounts by source:	0		
Borrower/Recipient (US\$m.):	0		
Environmental Category: A			
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>	
Is this a transferred project	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

B. Project Objectives:

- The main objective of the proposed project is to help Moroccan Municipalities develop carbon assets in solid waste sector, and access the carbon market. More specifically, the proposed CDM Program of Activities (POA) will allow the purchase of 2,000,000 Certified Emissions Reductions (CERs), labeled in tons of CO₂-equivalent (tCO₂e), through an ERPA under the Bank-managed Carbon Partnership Facility.
- These ERs will be generated through (i) the avoidance of methane (CH₄) emissions from MSW landfills in Morocco, by promoting LFG capture and flaring, and/or electricity generation projects, and (ii) the reduction of carbon dioxide (CO₂) emissions through the displacement of fossil fuel-based electrical power generation.
- The CDM POA will generate additional revenues through the sale of CERs under the CDM. Additional resources from carbon finance could help cover part of the cost of municipal solid waste disposal.

C. Project Description:

4. The proposed program of activities will provide a framework under which any interested municipality, or group of municipalities, will be able to develop a CDM project activity in the SWM sector, as long as it meets the eligibility criteria established by the CDM. By pooling similar project activities under one commonly-managed CDM program of activities, municipalities will be able to gain access to the carbon market at a relatively low cost, taking full advantage of economies of scale and keeping transaction costs down.

5. *The LFG CDM projects will be implemented by the municipalities on a voluntary basis.* Municipalities would either construct and operate the project themselves or contract it out to the private sector. FEC will be the coordinating entity, provide assistance for the preparation of individual CDM projects, and sell the CER to the CPF.

6. *About 10 landfills in Morocco are expected to join the program.* It is estimated that up to 10 LFG projects, including those of main Moroccan municipalities included in the first phase of the PNDM, will join the CDM program. This could represent a total volume of waste of 2.9 million tons per year and average emission reductions of 735,000 tCO₂e per year, amounting to 7.35 million tCO₂e over ten years, of which the sale of 2 million tCO₂e would be secured through the ERPA with the CPF. These figures take into consideration only gas capture and flaring.

7. *The CDM Program will initially focus on municipalities and sites included in the first phase (2008-2012) of the National Municipal Solid Waste Management Program (PNDM).* The first landfill to be included in the POA is located in Oum Azza, approximately 15 km from Rabat. This landfill receives on average 1,400 tons of waste daily with an annual growth rate of 3 percent. The gas capture commissioning is expected in November 2011 and should generate 0.9 MtCO₂e over the 2012-2017 period. Five other potential landfills are to generate 0.8 MtCO₂e over the period 2012-2018 and should be commissioned in 2012. Three additional projects are expected to be commissioned in 2013 and generate approximately 3.0 MtCO₂e over the period 2013-2019. This first operation will also be reviewed from the point of view of the environmental and social sustainability as part of the Safeguards Diagnostic Review.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known):

8. The program will purchase CERs from LFG recovery projects developed by Moroccan Municipalities located throughout the country.

E. Borrower's Institutional Capacity for Safeguard Policies:

9. The Government of Morocco has experience with the Bank's safeguard policies. During the past few years, the GoM has successfully addressed the regulatory, administrative, technical and managerial deficiencies of the former EIA system that hindered direct investment and donor support.

10. Under the first operation in the Bank programmatic series of DPL in MSW sector, the Government had published two decrees that completed the legal framework for an upgraded EIA system, including regulations related to public consultation, and a decentralized review and validation of EIA through regional EIA commissions. Since the approval of the first MSW DPL, the GoM has established and operationalized regional EIA committees throughout the Kingdom. 9 have held a first meeting in 2009 and a further 2 held their first meeting in 2010. Although not all have yet forwarded activity reports to the SEEE, at least 4 committees have examined over 10 EIAs relative to local projects with investments below the MAD 200 million threshold. This promotes the involvement of local stakeholders in the management of the EIA system and should reduce delays in the review and approval of EIAs.

11. In recognition of the newly updated national environmental assessment system in Morocco, the Bank and the GoM have agreed to carry out the environmental assessment due diligence on the basis of the Moroccan system. To that effect, a Safeguards Diagnostic Review (SDR), consistent with OP 4.00 relative to Piloting the Use of Country Systems approach for Safeguards, will be prepared out and will be disclosed at least 60 days prior to ERPA signing. This SDR will lay out the applicable legal and regulatory framework, as well as the corresponding institutional set up in place. The SDR will review how, in practice, the applicable procedures and guidelines are applied in the solid waste sector. If necessary gaps with internationally accepted principles and practices will be identified and mitigating measures will be agreed upon.

12. It should be however noted that the FEC in charge of developing and coordinating this program as well as municipal project entities have limited experience about the Bank's safeguard policies. Their capacities to handle social and environmental safeguards will be assessed as part of the preparation of the proposed program and UCS will be explored.

F. Environmental and Social Safeguards Specialists on the Team:

Hocine Chalal, Environmental Safeguards Specialist
 Andrea Liverani, Social Safeguards Specialist

II. SAFEGUARD POLICIES THAT MIGHT APPLY

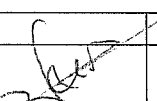


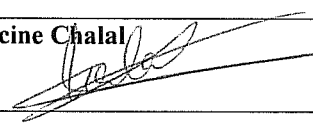
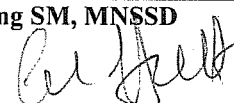
Safeguard Policies Triggered (please explain why)	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)		X	
Natural Habitats (OP/BP 4.04)		X	
Forests (OP/BP 4.36)		X	
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	

Safeguard Policies Triggered <i>(please explain why)</i>	Yes	No	TBD
Indigenous Peoples (OP/BP 4.10)		X	
Involuntary Resettlement (OP/BP 4.12)			X
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	
Piloting the Use of Borrower Systems to Address Environmental Issues in Bank-Supported Projects (OP/BP 4.00)	X		

III. SAFEGUARD PREPARATION PLAN

13. A Safeguards diagnostic Review for this operation will be prepared for this operation in accordance with the WB Policy OP 4.00 relative to Piloting the Use of Country Systems. This SDR will apply to the environmental aspects of the project.

IV. APPROVALS

Signed and submitted by:		
Task Team Leader	Name: Jaafar Friaa 	Date: 04/12/11
Environmental Specialist	Name: Guillaume Meyssonier 	Date: 04/12/11
Social Development Specialist	Name: Lene Natasha Lind 	Date: 04/12/11
Approved by:		
Regional Safeguards Coordinator	Name: Hocine Chalal 	Date: 04/12/11 19
Comments:		
Sector Manager:	Name: Colin Scott, Acting SM, MNSSD 	Date: 04/12/11
Comments:		