

**INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE**

Report No.: 120274

**Date ISDS Prepared/Updated: September 26, 2017**

**I. BASIC INFORMATION**

**A. Basic Project Data**

Country: Morocco	Project ID: P164288	
	Additional Project ID (if any): P131256	
Project Name: Noor Solar Power Projects		
Task Team Leader: Moez Cherif and Sameh Mobarek		
Estimated Appraisal Date: October 23, 2017	Estimated Board Date: December 14, 2017	
Managing Unit: GEE05	Lending Instrument: IPF	
Sector: Energy		
Theme:		
IBRD Amount (US\$100m.):		
IDA Amount (US\$m.):		
GEF Amount (US\$m.):		
PCF Amount (US\$m.):		
Other financing amounts by source:		
KfW Amount (US\$750m)		
European Investment Bank Amount (US\$200m)		
Agence Française de Développement Amount (US\$100m)		
African Development Bank Amount (US\$260m)		
Clean Technology Fund Amount (US\$50m)		
Environmental Category: A		
Simplified Processing	Simple [ ]	Repeater [ ]
Is this a transferred project	Yes [ ]	No [X]

**B. Project Objectives:**

The PDO of the parent project (P131256) is being modified, as part of the restructuring, from “increasing (a) installed capacity (megawatt), and (b) electricity output (megawatt-hour), especially during peak hours, of the Noor-Ouarzazate Solar Power Project” to “*increase innovative solar power generation in Morocco*”, so that the restructured project can cover both the Noor-Ouarzazate and Noor-Midelt (phase 1) Solar Power Projects.

### **C. Project Description:**

The Additional Financing (AF) supports the development and construction of the next project in Morocco's solar power program. The Noor-Midelt Solar Power Project is located on 3,150 hectares (ha) of land (expandable to 4,106 ha) 20 km north of the town of Midelt in central Morocco, in the high plains surrounding the Moulouya river, between the Middle and High Atlas Mountains. The first phase of Noor-Midelt consists of two separate plants, Noor-Midelt I and II, each with 150-190 MW CSP capacity and a minimum of 5 hours of thermal storage. The capacity of the PV component, which is expected to provide daytime generation, is left to the bidders' discretion but cannot exceed night-time net capacity from CSP by more than 20 percent. The PV component of each plant could be approximately 150-210 MW, making the total capacity of each of the proposed plants between 300 and 400 MW and the total capacity of this first phase 600-800 MW, with an overall cost of about US\$2.1 billion.

The proposed AF will contribute to finance construction of the Noor-Midelt I and II plants through an IBRD financing of US\$100 million and a CTF loan of US\$25 million, in addition to the US\$100 million reallocated from Component 2 of P131256. The project will be developed through the formation of a partnership between MASEN and a competitively-selected private-sector developer.

### **D. Project location and salient physical characteristics relevant to the analysis of environmental and social risks and impacts (if known):**

The Noor-Midelt site is administratively located in the Midelt Province and comprises a total surface of 4141 ha. The site is located on the Haute Moulouya Plateau approximately 20 km Northeast from the town of Midelt. The site is accessible from the Route Nationale RN13, which links Meknes with Midelt. 2714 ha is communal land and belongs to the three ethnic communities of Ait Ouefla, Ait Rahou Ouali, and Ait Massoud Ouali, while around 1427 ha of forest land belongs to the Water and Forests Administration.

The Noor-Midelt site has been selected for the following reasons: i) the site has an excellent potential for solar power production; ii) the site is close to the Hassan II Reservoir (11 km) for its water needs; iii) there is a nearby electric transmission line; iv) there is easy access via the RN13; v) the site is very flat and favorable for a solar power plant; vi) there are no people living on the site; vii) the vegetation is very sparse so that the site is barely used for livestock grazing; viii) environmental constraints are minimal; ix) there are no physical cultural resources within a radius of 3 km; and x) the site is located outside a natural zone and outside any protected tourist area.

The plants are expected to be air-cooled, which significantly reduces their water consumption. Nonetheless, some water use is still needed for cleaning mirrors, sanitation, and other uses during construction and operations – the FESIA will address issues related to the plants' water use and related potential impacts on other users of the reservoir. However, the amount of water needed is considered minimal in comparison to the Hassan II Reservoir capacity and annual replenishment rate, thus any potential impact from the plants' annual water use is expected to be commensurately minimal as well.

### **E. Borrower's Institutional Capacity for Effective SEMs:**

The Borrower (MASEN) has gained considerable experience during the implementation of the ESMPs for the Noor-Ouarzazate I, II and III projects. The Noor-Midelt solar power project is expected to be very similar, and MASEN has adequate capacity to implement the project in compliance with World Bank Group Performance Standards and Environmental, Health and Safety (EHS) Guidelines.

It is important to note that Noor-Ouarzazate III uses similar technologies as those expected to be used in Noor-Midelt. The project experienced a fatality in 2016 due to improper implementation of EHS procedure by sub-contractors to the Engineering, Procurement, and Construction (EPC) contractors, and inadequate oversight by the EPC contractor hired by the private sponsors implementing the project. This accident led to revision of the EHS procedures and significantly increased oversight by both the EPC contractor and the private sponsors. The new ESE procedures were deemed meet the Bank’s EHS Guidelines and have, thus far, been implemented satisfactorily. The Borrower is expected to rely on this experience in the requirements for Noor-Midelt to avoid similar accidents in the new project.

**F. Environmental and Social Safeguards Specialists on the Team:**

Robert Robelus and Markus Vorpahl

**II. PERFORMANCE STANDARDS THAT MIGHT APPLY**

<b>Performance Standards (please explain why)</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>PS 1: Assessment and Management of Environmental and Social Risks and Impacts</b>	<b>X</b>		
<p>A Draft Framework Environmental and Social Impact Assessment (FESIA) has been prepared for the Midelt Project and was shared with the World Bank for technical review. For each Solar Power Technology that is used, a full ESIA/CESMP will be prepared, will be subject to the Bank’s review and concurrence before its final approval and implementation by MASEN and the Developer during project constructions and operation. For the water intake, the water pipeline, the water treatment plant and the access roads, which all have a very low environmental and social impact and risk, an Environmental and Social Management Plan (ESMP) has been prepared as part of the FESIA. The Developer and Contractor will be required to prepare and implement a Construction ESMP (CESMP) and a Health and Safety Plan (H&amp;S Plan), in compliance with international best practices, using an independent contractor with terms of reference acceptable to the Bank.</p>			
<b>PS 2: Labor and Working Conditions</b>	<b>X</b>		
<p>Labor conditions and Health and Safety aspects during construction and operation will be managed in compliance with PS2 by all sub-contractors, contractors, developers and MASEN.</p>			
<b>PS 3: Resource Efficiency and Pollution Prevention</b>	<b>X</b>		
<p>Pollution prevention and other environmental management responsibilities will be part of the FESIA, ESMPs and CESMPs and will be implemented by the Developer, the Contractors, sub-contractors and supervised by MASEN.</p>			
<b>PS 4: Community Health, Safety, and Security</b>	<b>X</b>		
<p>Influx of non-local labor into local communities during construction will have to be managed. It is expected that non-local labor will be living off-site in existing townships and travel daily to the construction site, so social risks to local communities should be moderate and manageable. Recruitment of local labor will be the responsibility of Agence nationale de promotion de l’emploi et des compétences (ANAPEC). The same approach as for the 3 Ouarzazate projects will be followed, which worked well. The nearest village is 7 km from the project site, which means that negative environmental and social impacts on villages will be limited. However, positive environmental and social impacts may be substantial during construction and operation through the implementation of a local development plan by MASEN within the nearby villages, currently being prepared as part of MASEN’s Corporate Social</p>			

<b>Performance Standards</b> <i>(please explain why)</i>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
Responsibility and the implementation of the RAP.			
<b>PS 5: Land Acquisition and Involuntary Resettlement</b>	<b>X</b>		
Around 4000 hectares of land are to be acquired involuntarily. Local communities have been consulted on the land acquisition for the project site and compensation standards have been agreed upon. At this stage, the ownership of the land is contested between local communities, the public entity managing forest land – some of the land, although arid, is classified as forest due to specific vegetation patterns – and individual members of the local communities. While the matter is being settled through the court system, the compensation will be placed in an escrow account. However, it is important to note that the dispute is not in regards to transfer of the land title to the Borrower. Rather, it is in regards to division of the land acquisition proceeds among the ethnic communities involved. In this respect the court decision cannot result at this point in any injunction that could stop the possession of the land and/or reverse transfer of title. Nonetheless, there is always the possibility that the losing ethnic community may oppose the project, depending on the court's resolution of the dispute.			
<b>PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	<b>X</b>		
There are very scarce living natural resources at the project site, no endemic or endangered species. The environmental and very limited biodiversity impacts are expected to be mainly only on the project site, which has been assessed and determined in the FESIA.			
<b>PS 7: Indigenous Peoples</b>		<b>X</b>	
Additional information is needed.			
<b>PS 8: Cultural Heritage</b>	<b>X</b>		
No Cultural Heritage has been discovered within a radius of 3 km from the project site. However, a chance finds procedures will be included in all relevant Contracts.			

OP 7.50 Projects on International Waterways and OP 7.60 Projects in Disputed Areas are not triggered.

### III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the ESRS would be disclosed and the PAD-stage ISDS would be prepared:

No QER will be held, the target decision review meeting is October 23, 2017.




- B. For Category C or Category FI projects that do not require an ESRS, the target date for preparing the PAD-stage ISDS:

- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:

<sup>1</sup> Reminder: The Bank's Access to Information Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

- FESIA: A draft FESIA has been sent to the World Bank and comments were shared with Borrower – the draft has already been approved by other IFIs for disclosure. The FESIA includes an ESMP for the water intake, water supply pipes, raw water treatment plant, and access roads. The ESIA for the associated transmission line is expected to be completed by end of December 2017. The specific ESIA/ESMPs for each power plant will be prepared by the private operators once they have been selected (expected by June 2018) and before construction starts.
- Resettlement Action Plan covering the project site (LAP1) has been completed and cleared by the Bank.
- Resettlement Action Plan for the water supply lines and water treatment plant (LAP3) has been completed and cleared by the Bank.
- Socio-economic analysis: Ongoing, to be finalized in QII, FY 18.

#### IV. APPROVALS

<i>Signed and submitted by:</i>		Oct-02-17
<b>Task Team Leader:</b>	Sameh I. Mobarek/Moez Cherif	<b>Date</b>
<i>Approved by:</i>		
<b>Regional Safeguards Coordinator:</b>	Nina Chee 	Date 10/2/17
<b>Comments:</b>		
<b>Practice Manager:</b>	Erik Fernstrom 	Date 10/2/17
<b>Comments:</b>		

