

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC5231

Date ISDS Prepared/Updated: 04-Sep-2013

Date ISDS Approved/Disclosed: 25-Sep-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	Morocco	Project ID:	P143689
Project Name:	MA-Clean and Efficient Energy Project (P143689)		
Task Team Leader:	Roger Coma Cunill		
Estimated Appraisal Date:	09-Jun-2014	Estimated Board Date:	28-Aug-2014
Managing Unit:	MNSEE	Lending Instrument:	Specific Investment Loan
Sector(s):	Other Renewable Energy (50%), Transmission and Distribution of Electricity (50%)		
Theme(s):	Climate change (90%), Infrastructure services for private sector development (10%)		
Financing (In USD Million)			
Total Project Cost:	155.00	Total Bank Financing:	125.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			5.00
International Bank for Reconstruction and Development			125.00
Clean Technology Fund			25.00
Total			155.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

12. The PDO is to support the Borrower to increase supply of clean energy and to meet demand more efficiently among targeted customers.

C. Project Description

2. The project is expected to reduce network losses and peak load demand by introducing three complementary demand-oriented activities: a demand-side management program, a renewables dispatch desk and a mid-sized solar PV program. These activities and a technical assistance form the components of the project, which are detailed herewith:

- **Component 1 – Demand-Side Management (DSM) program:** Given the high proportion of low-voltage in total consumption during peak hours (63%), Morocco introduced an optional time-of-use tariff system for residential, industrial and agricultural clients with monthly consumption above 500 kWh/month. The proposed project intends to support the installation of bi-hourly meters to all ONEE clients consuming more than 500 kWh/month (49,000 residential and 11,000 industry/agricultural clients) to contribute to shave the national peak load and, hence, to reduce expensive fuel-oil use for power generation during peak hours. The bi-hourly meters will not only have bi-hourly reading functions, but also smart meter features such as remote disconnection and fraud detection.
- **Component 2 - Renewables dispatch desk:** This component includes the supply and installation of software and hardware to ensure optimal power dispatch and system protection in view of the planned integration of intermittent large-scale renewable energy sources by 2020. Dispatch optimization will be carried out according to supply/demand forecasts and hence, reduce investment needs in generation and transmission. The renewables dispatch desk will be installed in the National Dispatch Center located near Casablanca. This component will represent a significant step in the modernization process of the National Dispatch Center.
- **Component 3 – Mid-size solar PV program:** This component includes the construction and the operation and maintenance (O&M) of several mid-size solar photovoltaic (PV) plants in the range of 10-25 MW in Morocco's south eastern region. This program aims to show the viability of medium-scale distributed projects with optimal solar resources and closer to regional demand centers, which are far from other generation assets. The coincidence of local demand with solar resource availability on a daily basis is expected to reduce the stress on the high-voltage network and losses. The Clean Technology Fund (CTF) contribution to this program will ensure the economic and financial viability of the first mid-size solar PV projects in Morocco and have a transformational effect in a new market segment for renewable energies in the country. The CTF Morocco investment plan will be updated accordingly.
- **Component 4 – Technical Assistance and Capacity Building:** The technical assistance will include support for (i) developing an awareness campaign to roll-out of bi-hourly meters within the demand-side management program (Component 1) (ii) drafting bidding documents for mid-size solar PV plants (Component 3) and (iii) training ONEE staff on IPP/PPP contracting structure to be adopted in future phases of the solar PV program.

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

3. The national utility, the Office National de l'Electricité et de l'Eau Potable (ONEE) has pre-identified several sites next to the towns of Missouri, Arfoud and Zagora in the South-eastern region of Morocco to develop mid-size solar PV plants. However, the precise sitting as well as the number of the plants (three or four mid-size solar PV plants are planned at this moment) will be determined at a later stage once the feasibility study is completed. The sites are likely to be located in rural areas. The environmental and social context will be confirmed upon preparation of site-specific environment and social impact studies.

E. Borrowers Institutional Capacity for Safeguard Policies

4. The Office National de l'Electricité et de l'Eau Potable (ONEE) has an Environmental Department, which has the responsibility for conducting impact assessments and monitoring environmental and social management plans. The Environmental Department has extensive experience working with Bank projects, which has strengthened its understanding of the Bank's safeguards policies and enhanced its capacity to monitor and manage the implementation of mitigation measures.

F. Environmental and Social Safeguards Specialists on the Team

Abdoul-Wahab Seyni (MNSSD)

Suiko Yoshijima (MNSEE)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>Solar PV power generation does not produce any pollutant. Therefore, the proposed project will have limited environmental impacts during installation and operation of PV plants. The main concern is expected to be on workers safety issues. Such impacts will be of small scale and site-specific, and can be readily avoided/mitigated with good construction specifications and operational management rules. Therefore, the proposed project is Category B as per OP4.01.</p> <p>Since the number of the PV plants and their locations are not known, the client will prepare an Environmental and Social Impact Assessment Framework (ESIAF) before appraisal. The ESIAF will include site selection criteria to avoid sensitive locations so that the Category remains B and other safeguards policies are not triggered. During implementation, and for each site, an Environmental and Social Impact Assessment and EMP acceptable to the Bank should be prepared, reviewed and disclosed prior to construction.</p>
Natural Habitats OP/BP 4.04	No	Sensitive natural habitat areas will be avoided using the selection criteria prepared as part of the ESIAF.
Forests OP/BP 4.36	No	It is unlikely that the PV plants will be established in the forests.
Pest Management OP 4.09	No	There will not be pesticides used.

Physical Cultural Resources OP/ BP 4.11	No	Physical cultural areas will be avoided using the selection criteria prepared as part of the ESIAF. ESIAF will also include a chance finds procedure in the case that PCR is found during the construction phase.
Indigenous Peoples OP/BP 4.10	No	The project area where the solar PV plants are proposed to be constructed are large extension of inhabited bare land. Hence, indigenous people will not be affected.
Involuntary Resettlement OP/BP 4.12	Yes	The specific sites or locations of project activities are not fully determined, but the possibility of land acquisition and relocation remains a possibility to be confirmed during the project preparation. A Resettlement Policy Framework (RPF) will be prepared as due diligence to specify the process for preparing, reviewing, approving and implementing subsequent Resettlement Action Plans (RAPs) for sub-projects before the relevant civil works are initiated.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 09-May-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Since the locations are unknown, an Environmental and Social Impact Assessment Framework and a Resettlement Policy Framework (RPF) will be prepared before appraisal. The TORs have been drafted by the client and is being reviewed by the World Bank.

During implementation, and for each site, an Environmental and Social Impact Assessment and EMP and a Resettlement Action Plan acceptable to the Bank should be prepared, reviewed and disclosed prior to construction.

IV. APPROVALS

Task Team Leader:	Name: Roger Coma Cunill	
Approved By:		
Regional Safeguards Coordinator:	Name: Maged Mahmoud Hamed (RSA)	Date: 11-Sep-2013

¹ Reminder: The Bank's Disclosure 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.

Sector Manager:	Name: Charles Joseph Cormier (SM)	Date: 25-Sep-2013
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