Early Warning System

AFDB-P-MA-BB0-005

Morocco - OCP Corporate Loan III

Quick Facts

Countries	Morocco
Specific Location	Safi, El Jadida, Jorf
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-09-20
Borrower	OCP S.A.
Sectors	Agriculture and Forestry, Energy, Industry and Trade, Mining, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 151.32 million
Loan Amount (USD)	$ 151.32 million
Project Cost (USD)	$ 302.65 million

Project Description

As stated by the AfDB, the project aims to meet OCP's industrial needs (35 million m3 for the Safi and Jorf sites). It will provide potable water and new irrigation capacities to the cities of Safi and El Jadida and deliver up to 75 million m3 of drinking water for the local population, estimated at 1.5 million.

This operation concerns the Corporate loan to OCP SA as part of its Green Investment Program (GIP). The project entails the construction of three modular seawater desalination plants with a total annual capacity of 110 million cubic metres, entirely powered by renewable energy. The project is an essential component of the Green Investment Program and forms part of the Moroccan Government's Emergency Drinking Water Supply Plan.

The expected development outcomes are:
i) additional household incomes from support for job creation and increased drinking water supply;
ii) private sector development through improved market resilience and sustainability, local linkages, training and capacity building; and
iii) social and gender-equality outcomes achieved through support for vulnerable groups and the promotion of gender equality and women's economic empowerment.

In addition to ensuring the autonomy of OCP Group's industrial and mining sites in terms of unconventional water, the cities of Safi and El Jadida and the areas around OCP's Safi and Jorf plants will benefit from drinking water from the project (up to 75 million m3 of drinking water for a local population estimated at 1.5 million).

Early Warning System Project Analysis

The AfDB categorized the project risks as follows -
Environmental Category: IF-B

Investment Description

- African Development Bank (AFDB)

Private Actors Description

As stated on the company's website, OCP S.A. was founded in 1920 as the Office Chérifien des Phosphates to mine phosphate in Morocco.
OCP began phosphate production in March 1921 in Khouribga, with exports via the port at Casablanca later that year. A second mine opened in Youssoufia in 1931, and a third in Benguerir in 1976. The company also diversified into phosphate processing, opening chemical facilities in Safi (1965) and Jorf Lasfar (1984).
In 2008, the company became the OCP Group S.A., owned by the Moroccan Government and the Banque Populaire du Maroc.
In both 2018 and 2019, the company generated a revenue of over 54 billion MAD (over US$5.6 billion).

OCP, traditionally involved in phosphate mining for the fertilizers industry, has recently increased its attention to mining for transition minerals: https://www.ocpgroup.ma/en/taxonomy/term/171

OCP is also linked to serious (and likely unaddressed) adverse impacts on local communities: https://www.business-humanrights.org/en/companies/office-cherifien-des-phosphates-ocp/

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	OCP Group	Client	Mining

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal report (English)
- Appraisal report (French)
- Environmental study (French)
- Environmental study (French) rapport eies projet de dessalement safi
- Office Cherifien des Phosphates (OCP) [BHRC company profile]

Media

- OCP Group launches a $13 billion Green Investment Strategy

Other Related Projects

- AFDB-P-MA-B00-002 JORF PHOSPHATE HUB EXPANSION PROGRAM - OCP II LOAN