

 Early Warning System

EBRD-54365

DFF - PROCANEQ



Quick Facts

Countries	Morocco
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-02-27
Borrower	PROCANEQ Morocco
Sectors	Mining
Investment Type(s)	Loan
Investment Amount (USD)	\$ 14.92 million
Project Cost (USD)	\$ 33.67 million



Project Description

According to the Bank's website, the project consists of the provision of up to MAD 150m (ca. EUR 13.6m equivalent) senior loan in favour of PROCANEQ to finance the purchase of new equipment for the extraction and transport of phosphate ore into the processing facilities in 3 phosphate mines, owned and operated by Office Cherifien des Phosphates ("OCP"), one of the world's largest producers of phosphate. The new equipment to be financed by the Bank will be more energy efficient using less diesel, therefore achieving lower GHG emissions.

The project will support the Company's strategic plan, which aims to i) replace the existing equipment with more energy efficient one that is utilizing less diesel hence decreasing GHG emissions; ii) conduct exploration activities on three additional mines for OCP; iii) create more jobs in the sector by doubling its work force to more than 440 people; and iv) increase reporting quality and disclosures by adopting IFRS using the Bank's technical assistance.



Early Warning System Project Analysis

Category B (2019) and considered high-medium risk. The project involves providing mining services (excavating and hauling waste rock and phosphate onsite to the crushing operations) and equipment to the owner/licence holder for several large currently operating (ie, brownfield) phosphate mines. The area around the mines has a long history of mining and mine rehabilitation in these areas is not completed to international standards. There are no complex operations performed on these sites, only the physical extraction, crushing, beneficiation and transportation of phosphate rock to offsite locations for further processing or shipping.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

EBRD Finance Summary

EUR 13,765,139.01

An up to MAD 150m (ca. EUR 13.6m equivalent) senior loan in favour of PROCANEQ.

Total Project Cost

EUR 31,069,985.69

The total project cost is ca. EUR 30.4m to be financed along with BMCI (BNP Paribas Moroccan subsidiary) which are participating through a parallel loan for an equal amount up to ca. EUR 13.6m (MAD 150.0m). The remainder of ca. EUR 3.2m will be covered by the Company's own funds.



Private Actors Description

PROCANEQ Maroc is a subsidiary of PROCAN Group, a company serving the mining industry. Established in 2016 and based in Morocco, PROCANEQ has been providing mining subcontracting services for OCP SA (a world leader in the mining industry with 40 Mt of phosphate rock produced) since 2018.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	PROCANEQ Maroc	Client	-



Contact Information

COMPANY CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:
<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:
http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Bank Documents

- [Translation: DFF - PROCANEQ \(Arabic\)](#)