

NADOR WEST MED (NWM)

ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP) FOR A PROPOSED PORT IN THE WESTERN MEDITERRANEAN, MOROCCO

Document Version: V010

15 March 2015



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1. INTRODUCTION

The European Bank for Reconstruction and Development (EBRD) is considering providing a sovereign guaranteed loan of up to EUR 200 million to Société Nador West Med (“NWM” or “the Borrower”), to finance the greenfield Nador West Med Port Project (the “Project”). Other potential international lenders include European Investment Bank, the African Development Bank, and the Arab Fund for Economic and Social Development.

NWM is a limited company fully owned by the Government of Morocco. The Borrower was created to develop the Nador project, which comprises the development of a new deep-water port and related infrastructure within Betoia Bay, in north east Morocco. The port is envisioned to accommodate future container ship operations, onsite processing and storage of petroleum/hydrocarbons products, and the storage, processing, handling and transport of other bulk materials including coal. EBRD’s loan will be directed towards the construction of the basic port infrastructure (breakwaters, quays, dredging etc.), which will, in the operating phase of the Project, be used by concessionaires for commercial handling activities. These future operations within the port itself are not considered to be part of the Project and as such are not covered in detail within the project related national EIA (July 2014). Nevertheless, given the risks associated with these types of future operations, the Bank’s E&S due diligence will need to ensure that the Company has adequate contractual arrangements, EHSS management systems and staffing capacity to manage these risks in line with both national and international good practices.

As this Project involves the development of a large greenfield sea port, the EBRD has assigned it a Category A, which means that a comprehensive Environmental and Social Impact Assessment (ESIA) and review of associated documents must be carried out, followed by their public disclosure for a defined period 120 days. Following the completion of an environmental and social due diligence, an Environmental and Social Action Plan (ESAP) has been developed that details actions required to ensure that the project, if implemented, would comply with the bank’s Performance Requirements. The ESAP is presented in the following sections.

No	Action	Environmental & Social Risks	Required	Resources, respons.	Timetable	Target/evaluation criteria	Status
PR1	Assessment and Management of Environmental and Social Impacts and Issues						
1.1	Develop and implement an integrated Environmental and Social Management System (ESMS) in line with relevant national and international environmental, health and safety, labour and social standards, including EBRD Performance Requirements.	An environmental and social management plan has been developed but the management actions are too generalised. In addition there is no provision for ensuring that the management actions will in fact be implemented.	EBRD PR 1, ISO 14001 and OHSAS 1800 certification for operations of the port only	NWM with support from external specialists	Immediate commencement for EBRD PR1 with a view to operationalizing the system in time for the onset of the quarry operations in 2015, then throughout the Project life	A working ESMS that has all the elements described, specifically performance information and how this compares to stated objectives and targets, together with evidence of corrective action.	High priority
1.2	Develop and implement an Environmental and Social Policy, which is endorsed by top management within the organization.	NWM must formalise their commitment to environmental and social protection.	EBRD PR 1,	NWM for signature by General Manager	Immediate, Q3 2015 Disclose E&S Policy on NWM website	Signed policy disseminated through organization and published on NWM's website	High Priority
1.3	Establish, maintain, and strengthen as necessary an organisational structure that defines roles, responsibilities, and authority to implement the ESAP and associated management system, including but not necessarily limited to, the hiring of a manager of the HSEC Department reporting to the General Manager, a Community Liaison Officer and a Land Acquisition expert.	NWM's commitment to compliance with the EBRD's requirements will be dependent on the appointment and retention of dedicated environmental and social professionals who can give effect to the various tasks that are required for full compliance.	EBRD PR 1, ISO 14001 and OHSAS 1800 standards (all as good practice)	NWM	Organogram end Q1, 2015 appointments thereafter prior to commencement of activities for which they are responsible	Completed job descriptions and appointments to be submitted to EBRD	High priority
1.4	As part of the ESMS mentioned in item 1.1 above, develop and implement a contractor management programme that ensures that all contractors and sub-contractors working on the project are held to the Project's EHSS commitments, including EBRD's Performance Requirements.	As contractors will be the direct source of most environmental and social risks on the project it is essential that the management of contractors and sub-contractors is carefully planned and implemented, monitored and enforced by NWM.	EBRD PR 1, Good construction practise	NWM and selected EPC contractor	All completed prior to onset of bidding and contracting process	Completed contract documentation and evidence of the same in contracting process, as well as contractor monitoring.	

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1.5	As part of the ESMS mentioned in item 1.1, establish indicators and procedures to monitor and measure compliance with the environmental and social provisions of the legal agreements, the ESAP and the Performance Requirements, and changes against the baseline established during appraisal.	Performance information is the 'glue' that holds a management system together and makes it work, and so monitoring and reporting must be driven first and foremost for the role they have to play in management.	EBRD PR 1, ISO 14001 and OHSAS 1800 standards	NWM and selected EPC contractor and sub-contractors	Procedures, including monitoring indicators, to be completed prior to commencement of construction	Formal procedures, direct availability of performance information.	
1.6	Assess the EHSS risks associated with the Ighzer N'tiya river diversion that will be required to build the port and decide how the river is to be managed as a function of the comparative risks.	The risks are unclear as long as there is no fixed decision on whether the river will be diverted around the port or some other arrangement.	PR1	NWM	Prior to construction, Q2-Q3 2015	Prepare an Environmental Risk Assessment report and provide to EBRD. The report will provide a decision on how the river will be managed together with details of the mitigation required.	
1.7	EHSS appraisals / risk assessments to be conducted on all quarries used to source material for the port, including transport (see also 1.11 below), closure and reclamation.	Quarrying presents a range of potential EHSS risks and these must be understood and planned for, including effective closure of the quarry.	PR1	NWM, EPC Contractor	Prior to quarry operation	Completed appraisals together with the commensurate management plans for each quarry to be provided to EBRD.	
1.8	Annual E&S Monitoring Reports to be compiled and submitted to the Bank.	Report on project performance and implementation of ESAP	PR1	NWM	Q1 2016, annually thereafter	Completed reports; AESMR template to be provided to NWM by EBRD	
1.9	Assess the EHSS risks associated with the influx of 2500 construction workers and later employment of 1200 workers for port operations. Develop an influx management plan as necessary.	The risks are unclear and no information is currently available about where the majority of workers will be hired from, how they will be accommodated and how this presence could potentially impact on the local communities and on the local municipal services delivery.	PR1, PR2, PR4, and potentially PR5		Prior to commencement of construction	Risk assessment (and associated management plan if warranted) to be provided to EBRD.	High Priority

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1.10	Develop a study of potential cumulative impacts of the Free Zone to serve as a preliminary assessment of potential cumulative environmental impacts of the industries that are planned for the free zone to ensure that no unacceptable risks do are entailed. Include in this study a mechanism to update the analysis at every major change in data.	No assessment has been done of cumulative environmental and social impacts of the port in combination with the various industry types that are envisaged for the Betoya free zone. Such impacts include but are not limited to: influx of workers and job-seekers, air emissions, liquid effluents, solid waste.	PR 1, PR 3 and PR 4	NWM in combination with the national authorities	Prior to the commencement of the development of the free zone	Provide Study to EBRD and disclose on the Company's website in French and Arabic	
1.11	Develop a haulage plan to minimise the cumulative impacts associated with the requirements for sourcing building materials from quarries.	No assessment has been done of the cumulative impacts associated with construction and the particular concern in that respect is the quantity of building material that is required for construction of the port which will have to be sourced from quarries.	PR 1 and PR 4	NWM and EPC Contractor	Prior to commencement of port construction, second half of 2015	Availability of haulage plan and required approvals from the Moroccan authorities for the quarries.	
1.12	Engage an Independent Environmental and Social Consultant (IESC) to monitor project compliance against EBRD's Performance Requirements during construction and initial port operations	This is a sensitive Category A project and inputs from experienced and independent environmental and social specialists will be required during Project implementation. NWM will need to rely on the EPC to implement the project's EHSS commitments	PR1, PR6 Good international practice	NWM	Prior to commencement of construction 2 x per year during construction 1 x per year during operations for the first 2 years IESC will provide monitoring reports to NWM and EBRD following each site visit	EBRD to draft Terms of Reference for IESC Selection of the IESC will need to be to the satisfaction of EBRD	High Priority
PR 2 Labour and working conditions							
2.1	Develop and approve a Human Resources (HR) policy. The NWM HR policy should be clear and understandable to employees and bear the signature of the NWM General	NWM currently does not have a written and endorsed Human Resources policy, and thereby does not meet one of PR2 requirements.	EBRD PR 2	NWM	Prior to commencement of construction	Signed HR policy and evidence of dissemination throughout the organisation	High Priority

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	Manager. It will commit NWM to compliance with national Law and EBRD PR2 requirements, and it will be made available in the languages spoken by the employees.					Disclose HR Policy on NWM website	
2.2	Ensure that bidding documents and contracts include clauses ensuring compliance with PR2, and monitor contractor and sub-contractor compliance at Project sites by means of periodic labour and IR audits (see also 1.5).	The Moroccan Labour Code does not permit any Child and Forced Labour, and the Kingdom has ratified associated ILO conventions.	EBRD PR 2	NWM and EPC Contractor	Q1 2015 All completed prior to onset of bidding and contracting process and then throughout project implementation (periodic labour and HR audits)	All completed prior to onset of bidding and contracting process and confirmation through periodic labour and HR audits.	High Priority
2.3	Comply with the applicable Moroccan Labour Code and EBRD requirements on conditions of work and the EBRD/IFC guide on worker accommodation, and audit contractors and sub-contractors against these requirements.	While the applicable Moroccan Labour Code is generally aligned with international requirements such as the EBRD's on working conditions and worker accommodation, enforcement is not always consistent. Similarly to other labour issues, potential concerns are associated to the sub-contracting cascade and supply chain.	EBRD PR 2	NWM and EPC Contractor	2015, and ongoing throughout project implementation	Confirmation through periodic labour and HR audits.	
2.4	Establish a grievance mechanism for workers accessible to both NWM workers and contractor/sub-contractor workers deployed at the Project site or associated facilities.	The Moroccan Labour Code does not require the establishment of a specific grievance mechanism accessible to Project workers.	EBRD PR 2	NWM and EPC Contractor	Second half of 2015, In place prior to onset of construction	Register of grievances lodged and resolution of issues supplemented by confirmation from a sample of workers Disclose grievance management on NWM website	
PR 3 Resource Efficiency and Pollution Prevention and Control							
3.1	Develop specific water and energy conservation targets / key performance	No commitments are made in the EIA mitigation measures to limit energy and	EBRD PR 3	NWM and EPC Contractor	Establish targets prior to construction, second half	Demonstrable performance relative to	

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	indicators (KPIs) for both construction and operations and monitor performance in respect of the targets.	water use, although there are plans to re-use both dredged material and material removed from the dune fields in the construction process. The project has significant haulage requirements to transport the required quantities of material for the construction of the port and if effectively managed meaningful savings in fuel could be achieved.			of 2015	targets	
3.2	Ensure effective dust control during construction of the port and associated facilities. Good practice would suggest minimal water use to achieve this end.	The EIA recommendations include several mitigation measures aimed at controlling atmospheric emissions including watering of the construction areas to minimise dust generation and maintaining vehicles in good working condition and effecting repairs quickly where such repairs are required.	EBRD PR 3	NWM and EPC Contractor	Decision prior to construction commencement Second half of 2015	Dust management and water- saving performance	
3.3	Conduct opacity monitoring on construction vehicles with specific performance targets to ensure that there is a meaningful and demonstrable performance in respect of controlling these emissions.		EBRD PR 3	NWM and EPC Contractor	Monitoring programme to be in place prior construction commencement, Second half of 2015	Demonstrable performance relative to targets	
3.4	Meet and enforce Marpol Convention and International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) requirements as these pertain to port operations.		EBRD PR 3, Marpol Convention, London Convention	NWM	During port operations	Demonstrable performance	
3.5	Develop a marine sediment movement control programme for the construction of the main port infrastructure to minimise the transport of agitated and suspended sediment.	Given the nature of the seabed where the main breakwater will be constructed there will be agitation and suspension of marine sediments. These sediments are unlikely to be contaminated but the plume will result in deposition of the sediment in areas previously unaffected. There are currently (greenfield site)	EBRD PR 3	NWM and EPC Contractor	Second half of 2015, Prior to start of construction	Availability of programme and commensurate performance against KPIs.	

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		frequent high concentrations of suspended sediments in relation to floods in Oued Kert and small-scale storms over the sea. These will be difficult to avoid.					
3.6	Calculate greenhouse gas emissions for the construction phase (due to the significant haulage requirements). If they these exceed 25 kt CO ₂ e pa, provide an annual greenhouse gas emissions report to the EBRD.	Greenhouse gas emissions were not recognised or assessed in the EIA. Although the port will not be a significant source of greenhouse gas emissions in its own right, greenhouse gas emissions during construction will be potentially significant due to the dredging and haulage requirements to get rock and aggregate material to the port for construction of the breakwater and other port infrastructure.	EBRD PR 3	NWM and EPC Contractor	Second half of 2015, Prior to start of construction of the port and during dredging and disposal	Greenhouse gas inventory as per EBRD's GHG Accounting methodology	
3.7	Develop and implement a waste management plan that ensures that there is adequate airspace for waste that will be generated during the construction and operational phases. A recycling programme for at least construction wastes should be implemented as part of the overall waste management programme. Putrescible wastes should be composted	Waste generation during port operations is likely to be less acute although it must be recognised that a large-scale spill of hydrocarbons could generate significant quantities of contaminated soil that would need to be safely disposed. Provision will also need to be made for safe disposal of waste from ships. Construction wastes typically have a high value recovery opportunity given that much of the waste is packaging. Good practise would suggest investigating the possibility of establishing a modern waste management facility in the free zone to provide for the industries that establish there and potentially also waste from port operations.	EBRD PR 3	NWM	Prior to start of construction, Q2 2015	Provide Waste Management Plan (construction) to EBRD, including details of landfill availability together with estimates of construction waste	

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3.8	Design and implement a programme for the safe refuelling of construction equipment and vehicles.	The primary hazardous substance will be hydrocarbons both during the construction and operations phases. Again the significant haulage requirements will mean large volumes of liquid fuels.	EBRD PR 3	NWM and EPC Contractor	Second half of 2015 Prior to start of construction of the port	Demonstrable performance relative to targets and inspections and supported by inspections and audits.	
3.9	Develop and implement a hazardous materials management plan that provides for the safe transport, offloading, storage use and disposal of all hazardous materials on site and their containers. The plan must also include an exclusion list of materials that cannot be used on site such as asbestos.	Other potentially hazardous materials are likely to include solvents, paints, lead, flammable gases, cement stabilisers, biocides, insecticides and rodenticides.	EBRD PR 3	NWM and EPC Contractor	Second half of 2015, Prior to materials being on site	Availability of MSDS, confirmation via inspections and audits	
3.10	Develop an oil spill contingency and counter-measures programme. Such a programme will need to make provision for the immediate containment of a spill, the prevention of movement of the spill and the recovery/dissolution of the spilled oil. The programme will need to be equipped with the marine vessels needed to give effect to the programme and suitably trained and qualified personnel. Regular simulations and drills will also need to be undertaken to test proficiency with a view to continual improvement.	Similar risks are posed during port operations but with quite different activities. The critical issue relates to operations of the proposed hydrocarbon quay with commensurate risk of a large-scale oil spill.	EBRD PR 3, IMO, Marpol Convention	NWM	Prior to commencement of operations of the hydrocarbon quay	Development and implementation of oil spill contingency and counter-measures programme Availability of equipment and infrastructure Demonstrable performance as a function of drills, reporting annually in AESMR on implementation	
PR 4	Health and safety						
4.1	Main construction contractor ¹ to be contractually held to developing and implementing a certifiable OHS system (on the model of OHSAS 18001) as a	The type of occupational health and safety hazards that would need to be managed by NWM and the main construction contractor in the	EBRD PR 4	NWM	Immediate commencement but with a view to operationalising the system in time for the	A working EMS that has all the elements described, specifically performance information	

¹ NWM is considering an EPC type construction-contracting model.

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	component of the broader EHSSMS. OHS standards will also need to be applied to sub-contractors.	<p>construction and operation of the port, are listed below:</p> <ul style="list-style-type: none"> • Working at heights; • Live circuits; • Moving machinery and equipment; • Hazardous chemicals; • Extreme temperatures; • Noise; • Radiation; • Biological agents; • Psychosocial hazards; and, • Deep water. 			onset of the project construction (2015-2018)	and how this compares to stated objectives and targets, together with evidence of corrective action.	
4.2	A traffic management plan must be developed and implemented.	The scale of the project and particularly the need to transport large quantities of materials for the construction of the breakwaters and the quays means that there will be high volumes of traffic not just on the construction site but on publicly accessed roads as well. There are two important elements that must be considered in terms of traffic and road safety and these are the safety of project personnel and the safety of third parties who may be injured or killed in accidents involving project construction vehicles.	EBRD PR 4	NWM and EPC Contractor	Second half of 2015, prior to start of quarry operations	Performance relative to targets and inspections	
4.3	An emergency preparedness and response plan must be developed for the project inclusive of all project activities and personnel.	Good EHSS management performance can be rapidly undone by a single uncontrolled emergency event. Given the scale of the project and the multiple potentially hazardous activities the risk of emergency condition must be recognised and managed.	EBRD PR 4	NWM and contractors	Prior to construction start Second half of 2015	Plan available and quick and effective response in the event of an emergency.	

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4.4	Concessionaires in charge of operations of the different parts of the port must prepare their own traffic management and emergency preparedness plans. The latter may overlap with requirements in Moroccan law particularly in regards of the hydrocarbons terminal, which is likely to be a “classified installation” per applicable Moroccan law.	All risks associated with port operations.	EBRD PR 4,	NWM	During port operations	Availability of plans and demonstrable performance.	
4.5	Establish a worker accommodation management plan for the construction phase based on the Contractor’s proposals in this regard (including construction camp). The plan must include sustainable drinking water supply, waste water treatment and solid waste collection and treatment arrangements.	The objectives are (1) to minimise influx and (2) to minimise strain on local infrastructure in the Iaazzanene commune (particularly in regards of water supply, waste water treatment, and solid waste collection and treatment)	EBRD PR 4	NWM and main Port contractor	Implemented ahead of the start of construction - Second half of 2015 for NWM company and upon commencement of works (worker camp) for the Contractor	Plan prepared, made contractual with EPC Contractor, and implemented	
4.6	Define a safety restriction zone around the port works using a series of buoys according to recognised maritime signalling procedures. Engage with local fisherman to elaborate the safety restriction zone so that it is well understood and recognised.	The maritime port works may present a safety risk to fisherman and their vessels requiring a clear demarcation of areas that can be accessed and those that cannot.	EBRD PR 4,	NWM and main Port contractor	Implemented ahead of the start of marine works	Demarcated safety zone, evidence of engagement with fisherman and no accidents involving fisherman and vessels in the port construction area.	
PR 5	Land acquisition, Involuntary Resettlement and Economic Displacement						
5.1	Implement the Land Compensation and Livelihood Restoration Framework (LCRF) and develop more detailed plans as follows: - Land Compensation and Livelihood Restoration Plan (LCLRP) for the expropriated agricultural land for	While the port itself is entirely on State owned land with only marginal use, the access road to the port affects about 29 private plots (20 landowners), and the free zone about 305 land plots (155 landowners). In addition, fishermen using landing sites close to the future	EBRD PR 5,	NWM	Q1, 2015 for the Framework Q2, 2015 for the Plan related to the access road Before impacts on	The Framework and three associated Plans together with demonstrable performance of implementation and efficacy.	High Priority

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	<ul style="list-style-type: none"> the access road Land Compensation and Livelihood Restoration Plan (LCLRP) for the expropriated agricultural land for the Free Zone Livelihood Restoration Plan (LRP) for fishermen affected by the construction of the port 	port will be relocated as part of a broader programme implemented by the Ministry of Fisheries. At the time of the EBRD due diligence, inventories of affected assets and socio-economic studies were on-going. A Framework was prepared to establish compensation principles and the general way forward, this Framework will need to be elaborated upon when all relevant information is available.			<p>associated land for the Plan related to the Free Zone</p> <p>Before impacts on fishermen's activities for the Plan related to the fishermen</p>		
5.2.	Undertake independent review of the implementation and outcomes of the above Framework and Plans, three years after the economic displacement has taken place.		EBRD PR5	External consultant	Three years after economic displacement	Evaluation report to be provided to EBRD	
PR 6 Biodiversity and living natural resources							
6.1	Extend the current baseline assessment by conducting selected transects through the dune field area within the project footprint to assess whether or not the dune field contains any important biodiversity features and/or critical habitat. In the event that important biodiversity features are identified further actions will be required to ensure the principle of no net loss is upheld.	NWM has undertaken comprehensive baseline studies. As a result there is detailed baseline data for the marine environment, which has been used to inform the design of the port. The baseline study includes information on inter alia currents, waves, sediments, pelagic and benthic ecosystems, and water quality. Terrestrial ecosystems are deemed degraded but have not been investigated in the same level of detail. There is no information in the baseline that suggests that there are species of conservation significance, either in the marine or the terrestrial environment. That notwithstanding, dunefields particularly are known to provide	EBRD PR 1 and PR 6	NWM and EIA consultants	Q2, 2015 Prior to EBRD Board	<p>Report highlighting the presence or confirming the absence of sensitive marine and terrestrial receptors.</p> <p>Development of a Biodiversity Action Plan, if necessary</p>	High Priority

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		important habitat for fauna and the baseline fauna and flora studies should be complemented to demonstrate the absence of critical habitat.					
6.2	Conduct detailed modelling to assess the risk of impact of a large spill on the Ramsar wetland of the Trois Fourches Cape and include related provisions in the oil spill and counter measures management plan provided for by item 3.9 of this ESAP.	The EIA findings indicate no potential impact on the wetland but do not include an assessment of the risks posed by a large scale oil spill associated with the proposed hydrocarbon quay.	EBRD PR1 and PR6	NWM	Prior to the commencement of operations phase	A characterisation of the risk and the oil spill and counter measures management plan.	
PR 8	Cultural heritage						
8.1	Develop a chance finds procedure applicable to construction of the Port and the Free Zone.	No items of special heritage value have been identified in the EIA that would be affected by the project.	EBRD PR 8	NWM and EPC Contractor	Develop chance find procedures prior to start of construction, Second half of 2015	Inspections and auditing.	
PR 10	Information Disclosure and Stakeholder Engagement						
10.1	Implement Stakeholder Engagement Plan and monitor/report upon annually to EBRD as part of AESMR. The SEP provides, amongst others, for the establishment of a grievance mechanism; additional public consultation measures associated to the EIA (public hearings or open houses in late 2014 or early 2015); and the establishment of a community liaison office in the Iaazzanene municipality.	Public consultation to date does not meet PR10 requirements and need to be complemented. In addition, NWM does not currently have a structured grievance management mechanism, or specific community liaison resources.	EBRD PR 10	NWM	Immediate implementation Q1 2015, ongoing	Evidence in the form of records of the meeting Report annually with the AESMR	