

REPORT

Non-Technical Summary

Environmental and Social Due Diligence for the
Economic Zone at Nador West Med Industrial-Port
Complex

Client: European Bank for Reconstruction and Development

Reference: BK1978-RP-0002-D01

Status: Final/1

Date: 9 October 2024

HASKONINGDHV NEDERLAND B.V.

Laan 1914 no.35
3818 EX Amersfoort
Netherlands
Industry & Buildings

Phone: +31 88 348 20 00
Fax: +31 33 463 36 52
Email: info@rhdhv.com
Website: royalhaskoningdhv.com

Document title: Non-Technical Summary

Subtitle: Environmental and Social Due Diligence for the Economic Zone at Nador West
Med Industrial-Port Complex

Reference: BK1978-RP-0002-D01

Your reference

Status: Final/1

Date: 9 October 2024

Project name: NWM Industrial and Logistics Zone ESDD

Project number: BK1978

Author(s): Chiara Di Giulio

Classification

Project related

Unless otherwise agreed with the Client, no part of this document may be reproduced or made public or used for any purpose other than that for which the document was produced. HaskoningDHV Nederland B.V. accepts no responsibility or liability whatsoever for this document other than towards the Client.

Please note: this document contains personal data of employees of HaskoningDHV Nederland B.V.. Before publication or any other way of disclosing, this report needs to be anonymized, unless anonymisation of this document is prohibited by legislation.

Table of Contents

1	Project background	1
2	Project description	1
3	Project regulatory process and execution	2
4	Environmental impacts, mitigation and management measures	3
5	Social impacts, mitigation and management measures	4
6	Communication	5

Table of Figures

Figure 2-1: Project Layout showing both the NWM BILZ and NWM Port	1
-------------------------------------------------------------------	---

1 Project background

The European Bank for Reconstruction and Development (EBRD) is considering providing a state-guaranteed loan of up to EUR 110 million to Betoya Industrial and Logistics Zone (hereafter referred to as NWM-BILZ or ‘the Company’), a wholly owned subsidiary of Société Nador West Med S.A, a state-owned limited liability company in charge of delivering the Nador West Med (NWM) Port project.

The proposed transaction is a follow-on to the EBRD’s existing project with Nador West Med S.A., where a sovereign-guaranteed loan provides for the construction of basic infrastructure at the greenfield NWM Port (hereafter referred to as “NWM Port Project”). It is under implementation and at an advanced stage of physical completion.

2 Project description

The project related to this transaction, consists of the development of an economic zone within NWM industrial-port complex (hereafter referred to as “NWM BILZ Project” or “the Project”) and categorized B by the EBRD. The development will be divided in two phases. Phase 1 is the subject of the transaction. Phase 1 will cover a total of approximately 850 ha of land as detailed below and is planned to be operational at the same time as the existing port.

Figure 2-1 below depicts the layout of the Project. The red line shows the boundary of the NWM industrial-port complex concession.

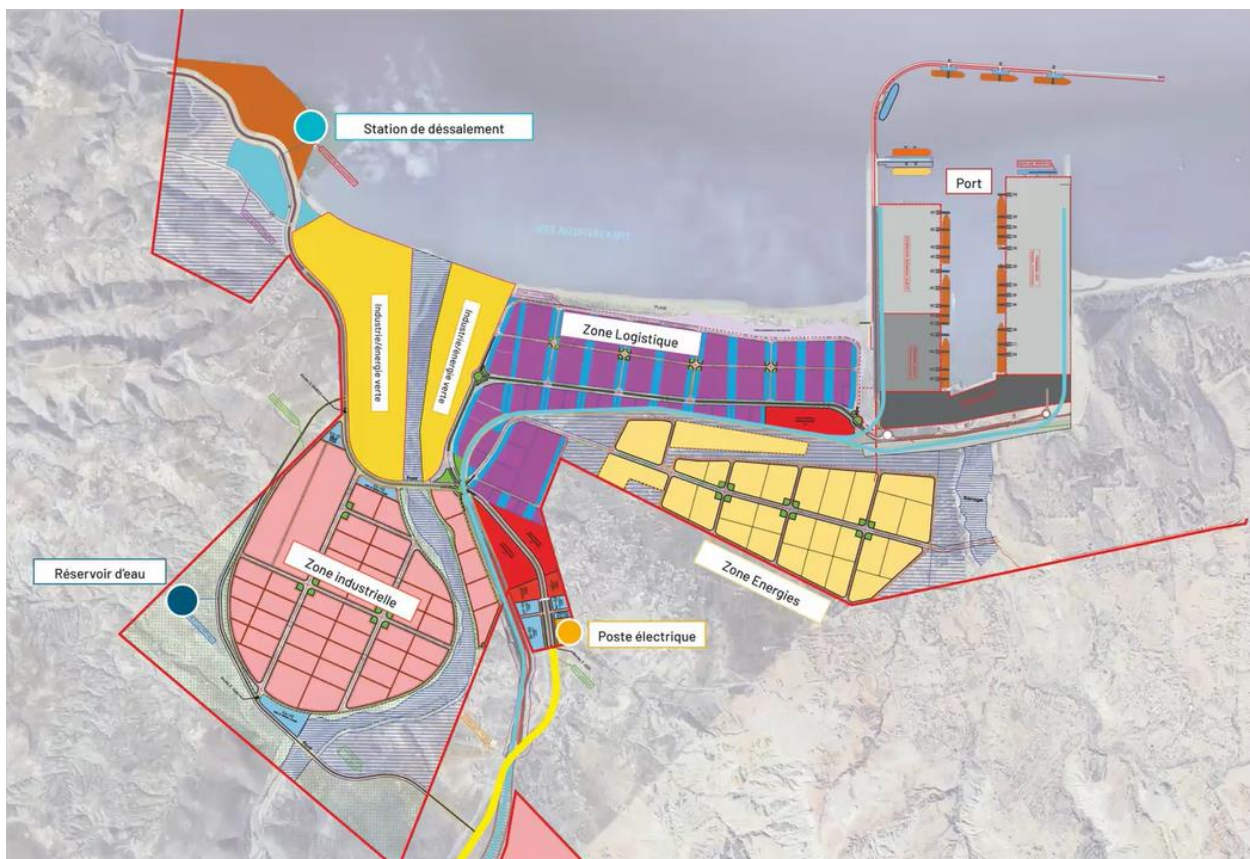


Figure 2-1: Project Layout showing both the NWM BILZ and NWM Port

Main investments to be financed by the Bank include land development works for the industrial and logistics platforms, and the construction works of a number of utilities. The project related to the transaction doesn't cover the whole economic zone development but is limited to:

- Land development works for the industrial, logistics and import/export zones;
- Construction works of an on-site desalination plant;
- Construction works of a Wastewater Treatment Plant (WWTP);
- Installation of an electrical transformer;
- Installation of public lighting.

In addition, the following components are considered as associated facility in line with definition given in EBRD Environmental and Social Policy:

- Two high voltage (HV) power lines, coming from existing substations in Selouane and Bourdim, the longest HV power line will be 105km long;
- 5 km diversion of the RN16 road, including 900m outside project boundary zone;
- Breakwater needed for the desalination plant of 85m long and at a depth of -6mZh and;
- Industries and logistic companies (tenants).

3 Project regulatory process and execution

NWM-BILZ will oversee project execution, in particular its E&S team. Arrangements shall be made to extend current E&S capacity team to ensure successful execution.

An Environmental and Social Impact Assessment (ESIA) including a full-fledged Cumulative Impact Assessment (CIA) has been prepared for the project. These documents have been approved by the Moroccan authorities who have issued a "*Certificat d'Acceptabilité Environnemental*", known as the permit. Stakeholder Engagement Plan (SEP) and Resettlement Action Plans (RAPs) for the project have been prepared, a Land Acquisition and Livelihood Restoration Plan (LALRP) which will be prepared for the RN16 bypass.

The ESIA for the project includes a preliminary Environmental and Social Management Plan (ESMP) and preliminary Environmental Monitoring Plans (EMPs), for both construction and operations.

Notwithstanding, these plans are preliminary only as certain conditional E&S studies as stipulated in the project ESIA are yet to be commissioned, namely:

- A separate ESIA needs to be carried out for the desalination plant and for the WWTP. Mitigation and monitoring measures resulting therefrom shall be included in project ESMP and EMPs by NWM-BILZ.
- Future tenants (industries and logistics companies) settling in the BILZ will be required to carry out specific E&S studies in line with Moroccan legislation.

In terms of construction works, tenders are being prepared and will be sent out (some of them are already). Chosen Contractors will have to prepare various E&S Management plans and procedures, including but not limited to:

- Earth works
- Waste
- Tree removal

- Occupational health and safety (OHS)
- Traffic
- Emergency preparedness and response (EPR)
- Pollution Prevention, including accidental discharge of liquid effluents
- Hazardous substances and materials

Contractors' E&S Management plans will be reviewed and approved by NWM to ensure alignment and integration with Project ESMP and EMP for construction.

Once the various E&S studies commissioned by tenants settling in the BILZ are prepared, they shall prepare E&S Management Plans accordingly and based on in conditions stipulated in a dedicated "Cahier des Charges" prepared by NWM. These shall include but not limited to:

- Waste
- Occupational health and safety (OHS)
- Traffic
- Emergency preparedness and response (EPR)
- Air quality
- Hazardous Substances and Materials.

4 Environmental impacts, mitigation and management measures

There are no significant environmental impacts derived from the project during construction if mitigation and monitoring measures as presented in project ESIA including its ESMP and EMPs, and in the to-be-carried-out E&S studies of WWTP and desalination plant and future industries and logistic companies are abided by.

Pollution prevention: during construction and operation, main risks are related to accidental liquid effluents discharge, including hazardous substances, and waste handling. In addition, there will be an increase in traffic in and outside project boundaries during construction in particular, together with machinery and equipment use this will increase dust levels and deteriorate air quality temporarily. Contractors shall prepare Earthwork, Traffic, Waste, and Hazardous Substances and Materials plans and procedures to mitigate impacts.

Daily operations will also result in a potential impact on air quality, and risks related to accidental liquid effluents discharge, including hazardous substance and waste handling will remain during that phase too. Tenants shall therefore prepare an Air Quality, Waste and Hazardous Substances and Materials plans and procedures to mitigate impacts.

NWM-BILZ will encourage tenants through a robust "Cahier des Charges" with measurable targeted incentives to green their processes and reduce their environmental footprint.

Use of resources: during construction, materials shall be sourced from quarries already in use, and if necessary, shall be imported from the region, minimizing risks and impacts.

The project will not impede on community or local water resources as it will construct its own desalination plant. Moreover, the project will construct three temporary WWTPs (modular) to be eventually replaced by one large WWTP, to ensure industrial water can be at least partly re-used in industrial processed or within the BILZ area for maintenance of green areas and vegetation.

Conservation of biodiversity: during construction, main risks are related to removal of trees as part of earth works, and possible impediment on fragile dune ecosystem. Contractors shall prepare Tree removal procedures in line with NWM-BILZ's agreement with national Water and Forestry authority.

During operation, main risks relate to impacts on the marine environment due to desalination station, impediment on Oued Kert ecosystem, as well as the fragile dune ecosystem. NWM-BILZ shall prepare a Dune Management Plan, and will ensure that discharge thresholds of treated water to the Oued Kert are in line with the highest international standards (World Bank EHS guidelines).

In addition, the current biodiversity baseline is to be revised and further expanded to confirm or exclude the presence of critical habitats. Pending results, mitigation and monitoring measures shall be put in place.

OHS: The Contractor shall prepare an EPR, Traffic and OHS Management Plan to be approved by NWM-BILZ prior to construction. This should minimize and mitigate potential OHS impacts.

Moreover, NWM-BILZ should ensure during that the Master planning process (allocation of plots to different industries) is done accurately to avoid co-location of industries who's cumulative impacts may be too serious. Planning and zoning should be accounted for in line with Moroccan safety standards and local legislation.

Lastly, NWM-BILZ has taken some mitigating measures during design phase to account for natural hazards, primarily risk of floods.

5 Social impacts, mitigation and management measures

There are no significant social impacts derived from the project during construction if mitigation and monitoring measures are applied correctly and efficiently by NWM-BILZ. It is to be noted that there is some overlap in terms of social impacts with the initial Port project.

Land acquisition and resettlement: The footprints of the components of the project proposed for financing by the EBRD and the facilities associated with them are located, largely, in lands that have been the subject of two acquisition procedures by NWM according to the Moroccan legal framework and the EBRD's E&S performance requirements. This is the case of the industrial and logistics platforms, of the desalination plant, the water supply pipes from the station to the different parts of the area and the distribution reservoir linked to it, the wastewater treatment plants and the electrical pole.

The management of involuntary displacements caused by these acquisitions was carried out in accordance with the expropriation procedure (law 7-81) and according to PR5 through two RAPs, one prepared in 2018 and one in 2023.

As of February 24, all physically displaced households have been resettled, and economically displaced households have either been compensated or their compensations are recorded in a special account at the CDG. Most of the plots remaining to be compensated are cases of disputes between the owners in joint ownership or people living abroad and not returning to Morocco.

The NWM Port and BILZ affects also a population of approximately 417 traditional fishermen operating in Bettoya Bay from the 3 landing stages, Kallat, Sammar and Chemlala.

The compensation for the impact on fishermen was designed in a Livelihood Restoration Plan (2017) as a new fishing port with facilities (PDA/VDP) to be implemented in partnership between the Ministry of

Fishery (MoF), the Ministry of Economy and Finance and NWM. This integrated project is aimed to improve the living and working conditions of fishermen, through allocation for free of equipped spaces (cold rooms, storage, sale), training and health insurance. In addition, fishermen and/or of their relatives benefit in priority from the local recruitment process for the port.

The construction of the fishermen village -PDA started in March 2018. Construction of marine infrastructure was completed in November 2020. Construction of the land infrastructure is underway and will be ready, according to NWM, in November 2024. Pending completion of the construction of the PDA, fishermen continue to operate from the two main “debarcadères” previously used, Kallat (fishermen from Kallat) and Chamlala (fishermen from Chamlala and Sammar) which they will no longer be able to use when the port is operational.

There remains to be acquired a strip of land of 900 linear meters which will serve as a right-of-way for the bypass of the RN16. The procedure for its acquisition is initiated by NWM on the basis of the expropriation procedure. This procedure will be completed by a LALRP which will make it possible to manage the impacts on the people affected, all losing bare land on which there are neither buildings nor fruit trees, in accordance with the requirements of the EBRD PR5.

Employment and economic development: During construction, the project will need approximately 1,000 direct jobs. While the number of jobs to be created during the operation phase is estimated at 30,000 direct jobs and 51,800 indirect jobs.

The project will contribute to economic development and wealth creation in the territory of its implementation, particularly through a massive demand for labour and a supply of commercial products and subcontracting products necessary for the operation of the industries that will be established in the area.

Community Health and Safety: The construction and operation of the Project are likely to generate risks related to increased road traffic, emissions from various construction activities during the works and from various industrial and logistics activities during the operation phase. Risks to the health and safety of populations should be reduced through better signage and traffic control and through the application of mitigation measures defined in the project's ESMP.

Occupational Health and Safety: Before starting any construction, industrial or logistics activity, contractors will prepare specific health, safety and environmental management plans that will ensure the maintenance of a healthy and safe working environment for workers.

Cultural Heritage: No impact on tangible cultural heritage identified, only a minor and indirect impact on intangible cultural heritage, namely loss of local language spoken by some communities due to influx of workers and economic activities in the region.

6 Communication

For further information and details on the project, you may contact:

- **Contact details**

Mr Youssef Gounni ; y.gounni@nadorwestmed.ma

- **Link to Stakeholder Engagement Plan (or similar)**

The SEP is available on NWM website.