



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MOROCCO RURAL WATER SUPPLY

APPROVED ON APRIL 29, 2014

TO

OFFICE NATIONAL DE L'ELECTRICITE ET DE L'EAU POTABLE (ONEE)

WATER GLOBAL PRACTICE

MIDDLE EAST AND NORTH AFRICA

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ABBREVIATIONS AND ACRONYMS

BIRD II	Regional Potable Water Supply Systems Project
BIRD IV	Rural Water Supply Project
EIA	Environmental Impact Assessment
ESMP	Environment and Social Management Plan
ISDS	Integrated Safeguards Data Sheet
ONEE	<i>Office National de l'Electricité et de l'Eau Potable</i>
OP	Operational Policy
PAD	Project Appraisal Document



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BASIC DATA

Product Information

Project ID P145529	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 29-Apr-2014	Current Closing Date 30-Sep-2021

Organizations

Borrower Office National de l'Electricite et de l'Eau Potable (ONEE)	Responsible Agency Office National de l'Electricité et de l'Eau Potable (ONEE)
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Project Development Objective (PDO)

Original PDO

The project development objective (PDO) is to provide access to safe and reliable drinking water supply for rural communities in targeted underserved areas in the Project area.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-83970	29-Apr-2014	27-May-2014	18-Dec-2014	30-Sep-2021	158.62	54.30	94.06

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. As of April 2018, Morocco Rural Water Supply project (BIRD IV) is rated Moderately Satisfactory (MS) for both progress towards PDO achievement and overall implementation progress. More than 365,000 people (35% of the final 2021 target) in 440 villages have benefited from the project. Commitments rate has progressed from 46% to 58% over the last 12 months and is expected to reach 71% by end of September 2018. Disbursements have followed with an increase from 20% in July 2017 to 37% currently (June 2018). Based on the implementing agency's (*Office National de l'Electricité et de l'Eau Potable, (ONEE)*) recent experience in the effective management of land acquisition and its mastering of related tools and procedures, the completion of most land acquisition is foreseen in 2018, opening the way for a major increase of commitments and subsequently of disbursements, from the related Regional Potable Water Supply Systems Project (BIRD II, closed in 2016) and the ongoing Rural Water Supply Project (BIRD IV) . Therefore, although BIRD IV contracts are still at an early stage and their physical implementation and disbursement have not yet materialized, they are on track for full completion by the closing date of September 30, 2021.
2. The completion of all project activities and achievement of the PDO are expected by closing date of September 30, 2021.

B. Rationale for restructuring

3. In May 2015, the Bank carried out a review of project compliance with Operational Policy (OP) 4.37 on Safety of Dams and on the conformity of dam management in Morocco. Fifteen dams were identified as potentially affecting World Bank-funded infrastructure integrity or capacity to operate properly in case of dam failure or malfunction. The review concluded that the procedures and guidelines set forth to monitor and manage dam safety in Morocco are consistent with international good practices as recommended by the International Commission on Large Dams, and therefore consistent with the requirements set forth by OP4.37. The review also acknowledged that the Moroccan government has established a satisfactory framework for institutional security for dams under the supervision of the Ministry of Energy, Mines, Water and Environment, Watershed Agencies and ONEE-Water Branch.
4. Based on the information provided in the Government note on the national regulatory framework for dam safety and the results of the examination of the individual safety inspection sheets of the fifteen dams relating to the rural water supply projects financed by the Bank in Morocco, the Bank review confirmed the following:
 - i. an effective dam safety program is already operational;
 - ii. comprehensive inspections and an assessment of the safety of existing dams have already been conducted and documented, in a manner satisfactory to the Bank.
5. While the World Bank does not finance construction or rehabilitation of dams under the BIRD IV, the success of the project is contingent on the storage and operation of the two out of the abovementioned fifteen dams for their supply of water. Specifically, the Tiznit treatment plant depends on the availability of water and the good



functioning of the Youssef Ben Tachfine dam. Since June 2016, when the BIRD II project closed, the Safi Water Treatment Plant has been transferred to the BIRD IV project. This plant is fed from the Massira dam whose waters are derived by the Imfout dam. As mentioned above, national legislation for monitoring and management of dams has been reviewed and found fully in line with the requirements of the policy. The safety inspection and assessment reports for a sample of the dams have been reviewed and compliance with the World Bank requirements has been verified. Specifically, according to the assessment of the Massira dam, the state of civil works is satisfactory and no major intervention and heavy repairs are to be undertaken. Youssef Ben Tachfine dam’s performance is also satisfactory with no evidence of anomaly. In addition, Morocco’s private sector engineering industry has high quality expertise in advanced dam design and construction techniques, in line with international standards. No dam failure was reported in Morocco since 1956.

- 6. Given that some of the BIRD IV activities depend on the existing dams for their supply of water, the OP 4.37 policy on dam safety needs to be triggered, and respective safeguard documents have been updated as described in more detail below.

II. DESCRIPTION OF PROPOSED CHANGES

- 7. Based on the reasons described above, the restructuring will encompass the following changes:
 - i. OP 4.37 on Safety of Dams needs to be triggered because project activities are dependent on the existing dams, and the environmental analysis has been updated accordingly. The restructuring paper summarizes safeguards performance and identifies the aspects of the Environmental Impact Assessment (EIA) that needed to be updated.
 - ii. The EIA has been updated by the client per the new policy triggered. The EIA provides a summary of the Moroccan legislation and requirements regarding the dam safety monitoring system. No further action appears necessary with regards to updating the Environment and Social Management Plan (ESMP) to reflect dam safety requirements.
 - iii. The client disclosed the revised EIA on its website on March 26, 2018.
 - iv. The Integrated Safeguards Data Sheet (ISDS) has also been updated and disclosed to reflect the changes in safeguards policies.
- 8. It must be noted that triggering of OP 4.37 policy does not change the scope or nature of project activities, implementation arrangements or require other amendment. It also does not change the project safeguard category, which is currently classified and will remain as category B.

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III. SUMMARY OF CHANGES		
	Changed	Not Changed
Change in Safeguard Policies Triggered	✓	



Change in Environmental Analysis	✓	
Change in Implementing Agency		✓
Change in DDO Status		✓
Change in Project's Development Objectives		✓
Change in Results Framework		✓
Change in Components and Cost		✓
Change in Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Change in Implementation Schedule		✓
Other Change(s)		✓
Change in Economic and Financial Analysis		✓
Change in Technical Analysis		✓
Change in Social Analysis		✓

IV. DETAILED CHANGE(S)

COMPLIANCE

Safeguard Policies

Safeguard Policies Triggered

Current

Proposed



Environmental Assessment (OP) (BP 4.01)	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats (OP) (BP 4.04)	No	No
Forests (OP) (BP 4.36)	No	No
Pest Management (OP 4.09)	No	No
Physical Cultural Resources (OP) (BP 4.11)	No	No
Indigenous Peoples (OP) (BP 4.10)	No	No
Involuntary Resettlement (OP) (BP 4.12)	Yes	Yes
Safety of Dams (OP) (BP 4.37)	No	Yes
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No

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