

Partnership proposal submitted by the French government

An integrated approach to management of the demand for electricity and urban and industrial development

Priority geographic zone: Mediterranean

Sponsors of this initiative: DGCID (General Directorate for International Cooperation and Development) – French Foreign Affairs Ministry

Partners (approval confirmed):

- Morocco: IZDIHAR – Association of economic operators in the Sidi Bernoussi Zenata industrial zone, (Mr. Mohamed Sajid, Chairman of the IZDIHAR Association)
- ADEME – the French Agency for Environment and Energy Management
- IED – French design office

Partners (contact ongoing)

- Greater Casablanca region – the Wali
- The Governor of Sidi Bernoussi Zenata province, Casablanca
- MICEM – Ministry of Industry, Commerce, Energy and Mines
- Ministry for the Environment in the MATEUH – Ministry of Town and Country Planning, the Environment, Urbanism and Habitat
- FFEM – French Global Environment Fund
- World Bank: ESMAP program
- GEF – MSP – Global Environment Fund / Medium Size Program

PRINCIPAL AIMS OF THE PROJECT:

Businesses in industrial zones of developing countries experience a number of problems that affect their competitiveness and that are of major importance to their sustainable development. Increased competitiveness requires solutions to many problems:

- Improved infrastructures (roads, telecommunications, purification networks, etc.), and services (grouped purchasing, information by branch, etc.);
- Social investments: literacy, professional training, medicine and safety at work, housing, etc.
- The elimination of major sources of local and global pollution (solid and fluid waste and air pollution);

In the Sidi Bernoussi industrial zone in Casablanca, the largest and one of the oldest in Morocco, the association IZDIHAR, which represents economic operators in the zone and its 750 or so businesses, is searching for concrete solutions to the situation as a whole.

- 1- The first phase of the project consisted of a study to evaluate potential fluid savings on the pilot scale in a few companies, the investment required and the return on the investment. It was found that the gains made could be partially reinvested in modernizing the companies and partially in qualification of the zone and its environment.

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The major innovation in this approach is that it depends on a local organization, in the spirit of the common interests of IZDIHAR, company directors and personnel. IZDIHAR **is now recognized as a local management organization that defends the interests of all actors in the zone in the face of local and central institutions.** IZDIHAR has shown that it can act as intermediary between all parties concerned in improvement of its industrial areas.

Part of the savings made are allocated by industries to a **Social and Environmental Fund**, managed by IZDIHAR. This gives it a capacity for mid-term environmental and social action such as purification, re-housing shantytown inhabitants, repairing the road system, reinforcing fire and emergency departments, improving employee literacy, etc.

2 – The second phase of the project involves extending the pilot phase of the scheme throughout the industrial zone. On this basis, financing of \$1.5m, a lever effect of \$10m in fluid savings (for annual savings of \$7m) and \$20m for a programme to re-house inhabitants of the shantytowns in the zone (priority social problem). Financing will be provided by the GEF and FFEM and implementation is scheduled for the period 2002-2005.

The proposed initiative aims to inform and make managers and businesses in Industrial Zones in Morocco, the Maghreb and developing countries aware of the potential and method of action for modernization tested on the Sidi Bernoussi case. The project aims to facilitate improvement of energy usage and competitiveness of industrial zones, based on an organization that represents the interests of local operators. It is at the heart of the Agenda 21 objectives since it involves:

- Management of major environmental pollution – issued from industrial zones, in an economically and financially viable context;
- Institutional reinforcement over time – IZDIHAR as a local management organization, major eco-energetic companies capable of developing their services outside the zone as such;
- From the social viewpoint, the question of shantytowns is a priority and beyond this, the association is envisaging actions to aid populations working in industries in the zone.

Expected results:

- Cross institutional barriers to implementation of energy-saving operations, technical improvement of networks and the switch to controlled commercial management of services rendered to businesses, with positive impacts on the environment;
- Emergence of new sectors of activity – the emergence of private eco-energetic companies;
- Emergence of local management organizations, that defend the interests of all operators in the zone, including those of shantytown inhabitants, who are usually employed in the industrial zone.

Specific aims and schedule

The specific aim is to successfully implement the pilot phase and its extension throughout Morocco from the sub-region. Two pilot operations are underway. An operation on the scale of the Sidi Bernoussi Zenata industrial zone, in Casablanca, is just starting and will take place over the period of July 2002 to July 2005, leading to true organization of the industrial zone operator association, IZDIHAR.

- In the context of this project, diffusion of the concept and preliminary results is planned from 2003;
- Resources have also been set aside to initiate similar approaches in other industrial zones – 2002 – 2007.

Coordination and implementation – transfer of knowledge

IZDIHAR, the association of industrial zone economic operators, is the project's executive agency in the Sidi Bernoussi Zenata industrial zone.

A monitoring committee has been set up, including the international cooperation organizations involved, local Casablanca authorities and national Ministries. This committee will monitor changes in the industrial zone and Morocco and may also be a framework for invitations intended to extend the initiative.

From the Casablanca project, it may be possible to achieve a true extended cooperation programme. The capacity development function is fully inherent to the approach, since it aims to ensure the emergence of structures with the capacity to take charge of sustainable development of the industrial and urban zones that they are involved with and to reinforce and increase the capacities of the private and financial sector in the eco-energetic services domain.

Financing envisaged:

- Financing of the projects, the most profitable first, is by mobilization of the financial capacities of manufacturers in the zone of activity and by public funding;
- International cooperation will be responsible for providing technical aid to implementation and reinforcement of organizations required at the start of this kind of initiative;
- The initiative's information distribution functions will be financed by international backers.

Monitoring

- This will involve meetings of the Monitoring Committee at least twice a year.

Publication of an information letter every two months is intended, which could serve as a means of extending the project.

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