



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 20-Sep-2023 | Report No: PID025

**BASIC INFORMATION****A. Basic Program Data**

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Morocco	MIDDLE EAST AND NORTH AFRICA	P178910	Morocco Accelerating the Transformation of Higher Education Program
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Program-for-Results Financing (PforR)	10-Oct-2023	14-Dec-2023	Education
Borrower(s)	Implementing Agency		
Kingdom of Morocco	Ministry of Higher Education, Scientific Research and Innovation (MESRI)		

Proposed Program Development Objective(s)

To improve labor market relevance of priority programs at public universities and strengthen the governance of higher education and research.

COST & FINANCING (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Government program Cost	975.00
Total Operation Cost	200.00
Total Program Cost	195.50
IPF Component	4.00
Other Costs	0.50
Total Financing	200.00



Financing Gap	0.00
FINANCING	
Total World Bank Group Financing	200.00
World Bank Lending	200.00
Concept Review Decision	
The review did authorize the preparation to continue	

B. Introduction and Context

Country Context

Morocco has been making impressive progress in economic growth and poverty reduction over the past 20 years, thanks to substantial investments in infrastructure and increasing access to education, health and other basic social services, but potential growth has been slowing since the early 2010s.¹ By 2015, the per capita GDP growth rate had led to doubling of Morocco's per capita GDP compared to 2005 as well as significant poverty reduction over the same period from 15.3 percent in 2001 to 8.9 percent in 2007 and to 4.8 percent in 2014.² Whereas Morocco's GDP growth recovered to 7.4 percent in 2021 after a decline of 6.3 percent in 2020, real GDP remains 6.4 percent below the pre-Covid trend.³

The downside of this growth model is its reliance on high levels of public investment with a relatively low multiplier effect, which in human development (HD) implied a focus on massively expanding access but not the quality of services; and its inadequate provision of opportunities for youth and the female labor force. Based on the Human Capital Index (HCI), a child born in Morocco today will only be 50 percent as productive when she grows up as she could be if she enjoyed complete education and full health, lower than the average for the Middle East and North Africa (MENA) region but higher than the average for lower middle-income countries. Between 2010 and 2020, the HCI value for Morocco increased from 0.47 to 0.50, but learning poverty is high. Though the country is benefitting from a demographic dividend, the quality of the labor force is low. Moreover, only about 50 percent of youth aged 25-35 are employed, often in informal and/or precarious jobs. To offer more quality jobs to its youth and increase female labor force participation, Morocco will need to accelerate economic growth and labor demand as well as build the human and social capital required to grow and compete in the 21st century.

¹ WB, 2022, Morocco Economic Update April 2022.

² WB, Country Economic Memorandum Morocco 2040: Emerging by Investing in Intangible Capital, <https://openknowledge.worldbank.org/bitstream/handle/10986/28442/9781464810664.pdf?sequence=2&isAllowed=y>
Poverty measurement is based on the national poverty line.

³ WB, 2022, Morocco Economic Update April 2022.



In addition, even before the pandemic crisis, economies globally have been undergoing substantial transformations, with technology, research and innovation and high skilled human capital becoming even more critical elements in driving economic competitiveness. These transformations have been leading to fundamental changes in the nature of work and the demand for skills, notably in the areas of digital technology and renewable energy.

To address these challenges and accelerate the structural transformation of its economy, Morocco adopted a New Development Model (NDM) in 2021, which prioritizes improvements in human capital and scientific research as catalysts for diversifying its economic output and accelerating its economic growth. Notably, the government has embarked on a broad reform to universalize access to health insurance, create a unified cash transfer program for the poor and vulnerable, and improve the quality of education, including a focus on higher education and university research in collaboration with industry.

Sectoral (or multi-sectoral) and Institutional Context of the Program

While Morocco has made substantial progress in expanding access to education at all levels in the context of a rapidly growing young population, quality has not improved. In 2020-2021, 4 million pupils attended primary schools. At the secondary level, an increasing share of children are enrolling in and completing secondary education (11 percent annual increase on average 2008-2016). However, quality of learning is low: In 2016, still about 66 percent of 10-year-olds could not read and understand a simple text upon completion of primary education.⁴ This is higher than both the average for the region (48 percent) and the average for Morocco's income group (59 percent). According to PISA 2018 data, 49 percent of 15-year old students had repeated at least one grade; far above the OECD average of 11 percent and other MENA countries with similar learning outcomes.

In higher education, Morocco has accomplished several critical successes over the past decade, but for higher education to play its role in the country's economic transformation, several deep-rooted challenges need to be addressed. Major achievements include (i) the tripling in student enrolment over an eight-year period; (ii) high female enrolment; and as a result of these two, (iii) increased education levels of the labor force; and (iv) emerging centers of academic and research excellence. However, several systematic challenges exist: (i) the rapid enrolment surge without sufficient per student financing to accompany the expansion, resulting in (ii) quality and relevance deterioration of academic and research programs, and low efficiency (high repetition, dropout); (iii) low employability of graduates, partly due to the lack of flexibility for HEIs to quickly adapt their programs in collaboration with industry, thus not contributing to a high skilled labor force and creating dissatisfaction among unemployed graduates; (iv) inequities and unsustainability of public higher education financing; and (v) insufficient autonomy and accountability for results of public universities, hindering greater efficiencies and performance improvements.

Relationship to CAS/CPF

The proposed higher education and research project will directly contribute to supporting several focus areas of the Country Partnership Framework (CPF) for Morocco 2019-2024. It will directly support focus area 2, *strengthening human capital*, notably strengthening the quality and effectiveness of the education system (higher education), by improving the quality of PhD graduates, and in the medium term, the overall quality of teaching and learning in higher education. Over

⁴ WB, 2020, Human Capital Index 2020 Morocco Brief, https://databank.worldbank.org/data/download/hci/HCI_2pager_MAR.pdf?cid=GGH_e_hcpexternal_en_ext



the long term, the proposed project will also contribute to focus areas 1, *promoting job creation by the private sector* through increasing private sector competitiveness and growth through increased research capacity and closer research collaboration with industry; and to focus area 3, *supporting the climate transition*, by helping climate change adaptation through expanded, more sustained and improved quality research. In addition, the Operation will support *governance*, through supporting the better targeting of and more efficient process for student scholarships, and the cross-cutting themes of *harnessing the digital economy for jobs and faster growth* through development of all students' digital skills and the introduction/expansion of degree programs in key digital economy areas, and of *gender – empowering women and girls for shared prosperity*, by creating incentives and promoting a conducive environment and equitable conditions for female students and researchers.

The proposed operation will support the implementation of Morocco's NDM. The NDM emphasizes human capital development as one of its four strategic pillars. Within the human capital pillar, the NDM highlights the role of a results oriented HE and research system with autonomous governance and accountability. The proposed operation will support the implementation of the NMD on higher education, research, and governance by interventions centered on capacity building for results-based governance and university autonomy and by enhancing academic and research quality in national priority areas. This includes a contribution of the program to the *preservation of natural resources and the enhancement of the resilience of territories to climate change and safeguarding of water resources through better use of the resource and more rigorous management of its scarcity* under strategic pillar 4 of the NMD, *territories and sustainability*.

Rationale for Bank Engagement and Choice of Financing Instrument

The Bank has a significant amount of experience from projects aiming to strengthening and modernizing higher education systems, both from within and outside of the MENA region. The Bank could leverage its global technical knowledge to support a system-approach to higher education and research reform, including: (i) provide the know-how on results-monitoring and transparent results-oriented financing in higher education; (ii) build university capacity for external financing mobilization; (iii) support the analysis on female labor force participation and employment and linkages with economy-wide policies; (iv) advise on cross-sectoral linkages including health, climate change and energy transition, digital, governance, and social protection; and (v) ensure continuity in student learning from early childhood through basic to higher education. In addition, the Bank has an active education portfolio of lending and analytics in Morocco, and this Program will draw on the successes and lessons learned of past engagement.

The Program for Results (PforR) instrument is well suited to supporting the implementation of an integrated government Program, promoting a results-focus, fostering consensus and alignment among multiple stakeholders and strengthening capacity for reform implementation and sustainability of results through the use of country systems. In the context of higher education and scientific research, a well-designed, comprehensive, innovative government program is in place, supported by the highest level of government, building on previous reform efforts, and including specific results to be attained, and with detailed implementation arrangements. The proposed program would help the government prioritize and sequence the planned reforms and accompany their implementation and monitoring and evaluation.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)



To improve labor market relevance of public university programs and strengthen specific governance capabilities of the higher education and research systems

PDO Level Results Indicators

The PDO achievement will be measured by the following proposed preliminary PDO indicators which will be refined during preparation:

- National system for tracking graduate employability established
- Increased enrollment of students in priority degree programs
- Active thematic research institutes-networks
- Number of universities achieving a pre-defined set of performance indicators of their annual development indicator targets

D. Program Description

PforR Program Boundary

To address the above challenges in higher education and research and implement the NDM, the Ministry of Higher Education, Scientific Research and Innovation (MESRI) launched a transformative and ambitious sector plan in 2023, the National Plan for the Acceleration of the Transformation of the Ecosystem of Higher Education, Research and Innovation (*Plan National d'Accélération de la Transformation de l'Ecosystème de l'Enseignement Supérieur, de la Recherche et de l'Innovation*, PACTE-ESRI). The PACTE-ESRI's objective is to prepare and empower generations of professionals, academics, and researchers to tackle future challenges and offer smart solutions that contribute to socio-economic development and human capital accumulation. The PACTE-ESRI focuses on four pillars to be implemented from 2022-2030: (1) academic excellence (quality and relevance); (2) research excellence; (3) territories of innovation; and (4) governance and operational excellence, which is a cross-cutting pillar. In addition to the cross-cutting, central governance pillar, each pillar also includes governance elements.

The proposed operation will support selected interventions under Pillars 1, 2 and 3 of the government program and incentivize results to increase efficiency in the implementation of these interventions.

E. Initial Environmental and Social Screening

The project will be the first to be implemented by the Ministry of Higher Education and Scientific Research (MOHESR). The current management capacity is relatively low, but the identified environmental and social risks are not likely to be significant. During the project preparation an in-depth institutional capacity assessment will be carried out and the relevant mitigation measures proposed.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component	

The environmental risks associated with the project is classified as Moderate, given the combination of environmental impacts of the project activities in the higher education sector, and the limited existing capacity for environmental and social risk management within the existing PMU and the concerned implementing agencies. The project will generate positive impact as it will develop and implement curricula including on Green/blue economy (e.g. programs related to renewable energy, climate change, electric vehicle manufacturing). Since there will be no construction activities, the environmental risks will be more related to research activities within the existing footprint of selected universities in Morocco, and more specifically to the management of waste generated by the labs following the installation of the necessary equipment and furniture. The digitalization will also enhance the use of electronic equipment that may increase at the end of the life cycle, e-wastes. The mishandling of hazardous/chemicals materials during the activities in the new or existing may laboratories may represent a risk that will need to be adequately handled. Indeed, the choice of equipment will be determined in close consultation with local companies. The partners and experts will also be able to advise on the choice of equipment. Thus, at this stage, the environmental risks are considered Moderate given these planned activities in the framework of the project. These activities could generate negative environmental impacts and nuisances such as noise (Datacenter room), poor management of electrical waste (batteries if any) and bio and chemical waste generated from lab facilities. All the risks and impacts are predictable and could be mitigated following the WBG EHS guidelines and good international industry practices (GIIP). The mitigation measures will be included in the ESMF. The social risks associated with the project are Moderate. Given that the project will not include physical works of any kind, the main social risks are centered on (i) the risk of elite capture more generally (benefiting higher income groups) and also specifically the exclusion of marginalized individuals and groups in project activities (namely as educators, university administrators, university students and PhD candidates); and (ii) the risk of all project workers violating the project code of conduct, namely by committing sexual exploitation and abuse and/or sexual harassment amongst themselves and/or towards project beneficiaries, as detailed below. Additionally, there could be potential long-term effects on migration with young post-graduates leaving the country for better opportunities abroad (i.e. brain drain). First, the risk of elite capture and potential exclusion of vulnerable and marginalized groups entails the risk of disadvantaged individuals to be excluded from benefiting from project activities, based on their identity (gender, race, age, disability, minority or migrant status etc.) and the intersectionalities amongst these identities. Although the project will place a special emphasis on recruiting female professors and admitting women university students and PhD candidates, the risk of exclusion of women in general, and especially minority/migrant women (especially women of Sub-Saharan African origin) and/or women with disabilities, is still highly likely to take place during the student application/selection process and recruitment of administrative and teaching staff. This could take place either by discrimination of candidates or lack of diversity amongst candidate pools applying for teaching positions or admission into university and/or PhD programs. Any assumption of “equal opportunity”, or “blindness” to issues of gender, race, ethnicity or ability in staff or student recruitment/selection, in the name of equality, has in fact proven to have the



opposite effect. Therefore, to ensure fairness, strategies and measures must be taken to consider potential student's historical and social disadvantages that prevent them from otherwise operating on a level playing field. To avoid or minimize this risk, specific measures need to be proactively taken to ensure equitable and inclusive access to activities under Component 1, 2 and 3. In other words proactive outreach focused on reaching potential staff and/or students from historically excluded groups would be in order. Specifically, to manage the risk, four steps will be advised as part of the ESMF and SEP: (1) identification of who the excluded individuals and groups are; (2) analysis of why and how they are excluded from higher education; (3) designing measures that break down possible barriers and maximizes opportunities for those previously excluded from benefits; and (4) measuring impact for excluded groups as part of the project's results framework. Second, there is a risk of sexual harassment amongst coworkers (teaching, administrative, maintenance staff) at the workplace (university) and/or sexual exploitation and abuse towards university students and PhD candidates, perpetrated by project workers (administrative or teaching staff). Globally, research shows that PhD students are especially vulnerable to sexual exploitation and abuse, given their one-on-one academic relationships with mentors and professors, who are often men, and the unequal power differential between them, given that professors control grading decisions that directly impact the student's academic record and professional opportunities.

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