

Document of
The World Bank

Report No: ICR00001236

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-72730)

ON A

LOAN

IN THE AMOUNT OF EURO 60.4 MILLION
(US\$ 80.0 MILLION EQUIVALENT)

TO THE

KINGDOM OF MOROCCO

FOR A

BASIC EDUCATION REFORM SUPPORT PROGRAM

December 28, 2009

Human Development
Middle East and North Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective 11/11/2009)
Currency Unit = Moroccan Dirham (MAD)
Dirham 1.00 = US\$ 0.131
US\$ 1.00 = MAD 7.6

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AREF	Regional Education and Training Academies [<i>Académies régionales d'éducation et de formation</i>]
CAS	Country Assistance Strategy
CERED	Center for studies and research on population [<i>Centre d'études et de recherches démographiques</i>]
CNEF	National Education & Training Charter [<i>Charte nationale d'éducation et de formation</i>]
CSDSE	Strategic Framework for the Development of the Education Sector [<i>Cadre stratégique de développement du système éducatif</i>]
DEN	Department of National Education [<i>Département de l'Éducation nationale</i>]
DPL D	Development Policy Loan
DSSP	Directorate of Strategy, Statistics and Planning [<i>Direction de la Stratégie, des Statistiques et de la Planification</i>]
EEP	Education Emergency Plan
EDPP01	First Education Development Policy Program
GDP	Gross Domestic Product
GoM	Government of Morocco
ICR	Implementation Completion Report
M&E	Monitoring and Evaluation
IGF	General Inspection of Finance [<i>Inspection générale des finances</i>]
MENA	Middle East and North Africa Region
MEN	Ministry of Education National
PARSEM	Basic Education Reform Support Program [<i>Projet d'appui à la réforme du système éducatif marocain</i>]
SIL S	Sector Investment Loan
SWAp S	Sector-Wide Approach

Vice President:	Shamshad Akhtar
Country Director:	Mats Karlsson
Sector Manager:	Mourad Ezzine
Project Team Leader:	Rachidi Radji/Jeffrey Waite
ICR Author:	Moukim Temourov

MOROCCO
Basic Education Reform Support Program

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A. Basic Information			
Country:	Morocco	Project Name:	Basic Education Reform Support Program
Project ID:	P043412	L/C/TF Number(s):	IBRD-72730
ICR Date:	12/29/2009	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	GOVERNMENT OF MOROCCO
Original Total Commitment:	USD 80.0M	Disbursed Amount:	USD 80.9M
Revised Amount:	USD 80.0M		
Environmental Category: B			
Implementing Agencies: Ministry of National Education, Higher Education, Staff Training and Scientific Research			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	03/27/2001	Effectiveness:	04/19/2005	04/19/2005
Appraisal:	12/09/2004	Restructuring(s):		
Approval:	02/08/2005	Mid-term Review:	03/10/2006	05/11/2007
		Closing:	06/30/2008	06/30/2009

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	10	10
Pre-primary education	4	4
Primary education	16	16
Secondary education	52	52
Sub-national government administration	18	18
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	17	17
Education for all	33	33
Gender	17	17
Participation and civic engagement	17	17
Rural services and infrastructure	16	16

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Shamshad Akhtar	Christiaan J. Poortman
Country Director:	Mats Karlsson	Theodore O. Ahlers
Sector Manager:	Mourad Ezzine	Regina Maria Bendokat
Project Team Leader:	Jeffrey Waite	Michel J. Welmond
ICR Team Leader:	Jeffrey Waite	
ICR Primary Author:	Moukim Temourov	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

Ref. PAD B.2, Technical Annex 3

The principal objective of PARSEM is to support Government efforts to provide basic education of improving quality to all children ages six to fourteen in a financially sustainable manner. To meet this objective, PARSEM contributes to the establishment of practices, mechanisms, and approaches that will improve the education system on an ongoing basis.

Revised Project Development Objectives (as approved by original approving authority)

The project objectives were not revised.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Net Primary Enrollment Rate [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 95.3% (U), 83.1% (R), 89.2% (T) Boys: 97.1% (U), 92.2% (R), 94.6% (T) Total: 96.2% (U), 87.8% (R), 92.0% (T)	In 2007-08 Girls: 97% Boys: 97% Total: 97%		Girls: 91.7% Boys: 96.2% Total: 93.5%
Date achieved	12/17/2004	06/30/2009		06/30/2008
Comments (incl. % achievement)	Target values were ambitious; hence, they were not fully achieved, but progress has been made in improving enrollment rates. The enrollment figures are for the 2007/08 academic year using the 1994 population census. See paragraph 36.			
Indicator 2 :	Net Middle School Enrollment Rate [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 51.4% (U), 9.3% (R), 31.2% (T) Boys: 52.9% (U), 13.8% (R), 32.8% (T) Total: 52.1% (U), 11.7% (R), 32.0% (T)	Girls: 50.0% Boys: 50.0% Total: 50.0%		Girls: 46.8% Boys: 48.1% Total: 47.4%
Date achieved	12/17/2004	06/30/2009		06/30/2009
Comments (incl. % achievement)	Target values were ambitious; hence, they were not fully achieved, but progress has been made in improving enrollment rates. The enrollment figures are for the 2007/08 academic year using the 1994 population census. See paragraph 36.			
Indicator 3 :	Repetition Rate at Primary [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 9.7% (U), 12.8% (R), 11.3% (T) Boys: 14.5% (U), 16.7% (R), 15.7% (T) Total: 12.2% (U), 15.0% (R), 13.6% (T)	Girls: 7.5% Boys: 10.5% Total: 9.1%		Girls: 10.0% Boys: 14.4% Total: 12.3%
Date achieved	12/17/2004	06/30/2009		06/30/2009
Comments (incl. % achievement)	Target values were ambitious, hence, they were not fully achieved; modest progress has been made. Data on the urban/rural breakdown not available.			

Indicator 4 :	Repetition Rate at Middle [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 16.1% (U), 11.9% (R), 15.5% (T) Boys: 21.1% (U), 19.3% (R), 20.6% (T) Total: 18.7% (U), 16.9% (R), 18.4% (T)	Girls: 10.6% (U), 7.8% (R), 10.2% (T) Boys: 13.9% (U), 12.7% (R), 13.6% (T) Total: 12.3% (U), 11.1% (R), 12.1% (T)		Girls: 11.5% Boys: 18.2% Total: 15.2%
Date achieved	12/17/2004	06/30/2009		06/30/2007
Comments (incl. % achievement)	Target values were ambitious, hence, they were not fully achieved; modest progress has been made, relatively better performance for girls than for boys. Data on the urban/rural breakdown not available.			
Indicator 5 :	Retention Rate at Primary - Survival Rate until end of cycle [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 89.2% (U), 47.2% (R), 65.5% (T) Boys: 81.9% (U), 53.9% (R), 65.7% (T) Total: 85.7% (U), 50.9% (R), 65.8% (T)	Girls: N/A (U), N/A (R), 86.9% (T) Boys: N/A (U), N/A (R), 87.1% (T) Total: N/A (U), N/A (R), 87.2% (T)		Girls: 77.0% Boys: 74.0% Total: 75.8%
Date achieved	12/17/2004	06/30/2009		06/30/2009
Comments (incl. % achievement)	Target values were ambitious, hence, they were not fully achieved; progress has been made. Data on the urban/rural breakdown not available.			
Indicator 6 :	Retention Rate at Middle - Survival Rate until end of cycle [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 80.8% (U), 72.6% (R), 79.3% (T) Boys: 67.4% (U), 64.4% (R), 66.5% (T) Total: 73.8% (U), 67.4% (R), 71.5% (T)	Girls: N/A (U), N/A (R), 97.9% (T) Boys: N/A (U), N/A (R), 82.0% (T) Total: N/A (U), N/A (R), 88.2% (T)		Girls: 84.1% Boys: 71.3% Total: 72.7%
Date achieved	12/17/2004	06/30/2009		06/30/2007
Comments (incl. % achievement)	Target values were ambitious, hence, they were not fully achieved; not sufficient progress has been made. Data for the 2006-07 are most recent available.			
Indicator 7 :	End of Cycle Completion Rate at Primary [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 82.4% (U), 37.8% (R), 57.1% (T) Boys: 75.4% (U), 45.7%	Girls: 118.6% (U), 85.9% (R), 82.2% (T)		Girls: 62.3% Boys: 63.3% Total: 63.1%

	(R), 58.1% (T) Total: 79.2% (U), 42.2% (R), 57.8% (T)	Boys: 108.7% (U), 65.8% (R), 83.7% (T) Total: 114.0% (U), 60.8% (R), 83.3% (T)		
Date achieved	12/17/2004	06/30/2009		06/30/2007
Comments (incl. % achievement)	Target values were ambitious; hence, they were not fully achieved; not sufficient progress has been made. Data for the 2006-07 are most recent available.			
Indicator 8 :	End of Cycle Completion Rate at Middle [by gender, urban (U) / rural (R) / total (T)]			
Value quantitative or Qualitative)	Girls: 56.6% (U), 22.7% (R), 51.6% (T) Boys: 44.7% (U), 17.1% (R), 38.4% (T) Total: 50.3% (U), 18.9% (R), 43.7% (T)	Girls: 92.6% (U), 37.1% (R), 84.4% (T) Boys: 73.2% (U), 27.9% (R), 62.9% (T) Total: 82.3% (U), 31.0% (R), 71.4% (T)		Girls: 61.0% Boys: 47.2% Total: 53.5%
Date achieved	12/17/2004	06/30/2009		06/30/2007
Comments (incl. % achievement)	target values were ambitious; hence, they were not fully achieved; not sufficient progress has been made. Data for the 2006-07 are most recent available.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Increasing number of rural communities with access to middle schools.			
Value (quantitative or Qualitative)	[500] rural communities have access to middle schools.	620 rural communities with access to middle schools		645 rural communities have access to middle schools (in 2007-08)
Date achieved	12/17/2004	06/30/2009		06/30/2008
Comments (incl. % achievement)	Target values achieved.			
Indicator 2 :	Increasing number of students who receive assistance through social services via partnership grants			
Value (quantitative or Qualitative)	Partnership with the community to provide social services grants is not well developed.	30,000 students who benefit from social services provided through partnership grants		A total of 78,732 schoolchildren benefited from scholarships in 2007-08.

		under PARSEM.		
Date achieved	12/17/2004	06/30/2009		06/30/2008
Comments (incl. % achievement)	Target values exceeded			
Indicator 3 :	Capacity to conduct evaluation on student learning in basic disciplines is functional and institutionalized.			
Value (quantitative or Qualitative)	There is no system to systematically evaluate student learning.	Publication of results of the evaluation of student learning of a sample of students using the new evaluation system.		The evaluation carried out and the results are published.
Date achieved	12/17/2004	06/30/2009		09/30/2009
Comments (incl. % achievement)	Completed.			
Indicator 4 :	New strategy for in-service training and inspection of teachers put in place			
Value (quantitative or Qualitative)	Provision of in-service training is fragmented.	An action plan to develop this strategy is established.		A new in-service training framework developed; pre-service training of bi-disciplinary teachers piloted in 5 CPR.
Date achieved	12/17/2004	06/30/2009		04/30/2009
Comments (incl. % achievement)	Completed.			
Indicator 5 :	Number of school-based projects developed, adopted, and implemented.			
Value (quantitative or Qualitative)	None	The first school-based subprojects are evaluated, with lessons drawn.		In 2009 about 100 million Dh has been allocated for school-based projects. Mechanisms of budget delegation to the school level agreed with MF. About 90 percent of schools covered.
Date achieved	12/17/2004	06/30/2009		09/30/2009
Comments (incl. % achievement)	Target values exceeded.			
Indicator 6 :	Budget and financial management performance and capacity upgraded			
Value	Traditional budgeting	Process of		The 2007 and 2008

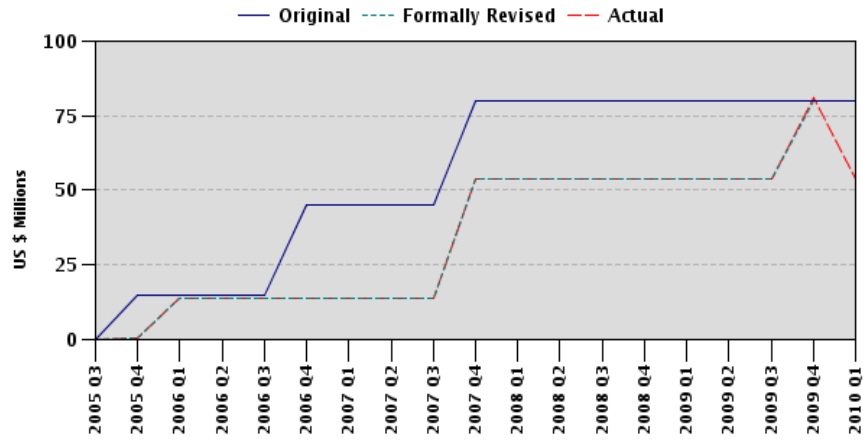
(quantitative or Qualitative)		contract-budgeting of these first 2 years is evaluated and lessons drawn.		budgets were prepared on a contractual basis.
Date achieved	12/17/2004	06/30/2009		04/30/2009
Comments (incl. % achievement)	Completed.			
Indicator 7 :	New construction and equipment norms applied in primary and middle schools.			
Value (quantitative or Qualitative)	Methods and designs of school construction and equipping are not standardized.	Application of new norms in construction and equipment in new schools.		New construction and equipment norms defined and validated.
Date achieved	12/17/2004	06/30/2009		04/30/2009
Comments (incl. % achievement)	Partially completed.			
Indicator 8 :	Management Statistical Information System (MSIS) reinforced in AREF and DEN			
Value (quantitative or Qualitative)	System at AREF level is yet to be developed. At the central level, system is yet to be strengthened.	Master plan management statistical information system put in place and reinforced in AREF and DEN		The study to develop such a system is launched.
Date achieved	12/17/2004	06/30/2009		04/30/2009
Comments (incl. % achievement)	Not completed.			

G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	04/29/2005	Satisfactory	Satisfactory	0.39
2	11/29/2005	Satisfactory	Satisfactory	14.08
3	06/28/2006	Satisfactory	Satisfactory	14.08
4	11/26/2006	Satisfactory	Satisfactory	14.08
5	06/19/2007	Satisfactory	Satisfactory	14.08
6	12/27/2007	Moderately Satisfactory	Moderately Satisfactory	53.66
7	05/21/2008	Moderately Satisfactory	Moderately Satisfactory	53.66
8	12/24/2008	Moderately Satisfactory	Moderately Satisfactory	53.66
9	06/10/2009	Moderately Satisfactory	Moderately Satisfactory	53.66

H. Restructuring (if any)
Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. In the years prior to the project preparation, the Moroccan economy was slowly recovering from a long period of weak economic growth in the late 90s, when the country's predominantly agricultural economy was hit by a period of extreme drought and the industrial outputs were stagnant. The economy experienced a faster growth during 2000-2004, thanks to improved agricultural revenues and increased tourism. Despite these challenges, the education sector remained an important priority for the government, with 6.6 percent of GDP allocated to the sector. The government declared the period of 2000-2009 as the decade for education and training.
2. Adopted in 1999, the National Education and Training Charter outlined the government's education sector strategy, which, among other objectives, called for universal primary education by 2007, improved system efficiency, better education quality, and improved access to schools. By 2005, Morocco had experienced significant achievements in education, particularly for primary education, which was extended to almost all children of that age. The national net enrollment rate for primary education increased from 52.4 percent (1990-1991) to 92 percent (2003-2004). Over the same period, net enrollment in middle school increased from 17.5 percent to 32 percent, and in upper secondary education from 6 percent to almost 15 percent.
3. Despite this progress, however, the sector was facing many challenges, including high internal inefficiency, as evidenced by high dropout and repetition rates, and gender and geographical disparities. The demand for post-primary education was also growing, while the government had limited fiscal space for expanding its already large expenditures for the sector. In order to address these issues, in February 2004 the Government developed a Strategic Framework for the Development of the Education Sector (SFDES), which presented policy directions and strategies of the education sector for the second phase of the education reform between 2004 and 2009. Focused on pre-university education, the SFDES had the following main objectives: (i) increasing access to basic education; (ii) improving quality of education; (iii) reinforcing institutional capacity, and (iv) ensuring fiscal sustainability.
4. The implementation of the SFDES was supported by a number of development partners, including the World Bank's PARSEM project. The rationale for the Bank involvement was based on: (i) the Bank's substantial experience with large-scale education reform programs and its ability to identify best practices in other countries with similar development challenges that could inform the reform process in Morocco; (ii) the Bank's ability to help strengthen the link between education reform, macro-economic stability, and the development of other sectors, such as agriculture, health, water, infrastructure, legal, and social protection; and (iii) the Bank's continuous support to the Moroccan education sector since the 1960s, and commitment and trust built with the Government. The PARSEM was designed to be financed jointly by the World Bank and the Government of Morocco.
5. The 2004 CAS for Morocco also clearly spelled out the Bank support for decentralization and education sector reform in the country. Strong emphasis was placed on social sector

reform and education was indicated as one of the pillars of social development. The Bank's support for the implementation of the National Education and Training Charter was also included in the CAS. By supporting the Government's sector-wide reform program, the Bank also aimed to: (i) contribute to improving the education system's capacity to better address the demands of a changing society; (ii) strengthen the individual's capacity to exercise his or her freedom via improved access to quality education, and (iii) contribute to poverty reduction via improved productivity of workers, particularly women.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

6. The principal objective of PARSEM was to support Government efforts to provide basic education of improving quality to all children ages six to fourteen in a financially sustainable manner. To meet this objective, PARSEM would contribute to the establishment of practices, mechanisms, and approaches to improve the education system on an ongoing basis.
7. The operation was monitored via performance indicators and monitoring indicators. *Performance indicators* were used to follow the annual progress of basic education development by tracking enrollment, repetition, retention, and completion rates, desegregated by gender and region (urban and rural). Performance indicators were not directly linked to disbursements and served rather to monitor the overall progress towards achieving the objectives of the Charter. They are also used to track the PDO indicators.
8. The *Monitoring indicators* were identified as critical steps required toward achieving the overall targets of PARSEM and they were linked to actions and activities that introduce new practices or have significant long-term impact on the development of the education system. Monitoring indicators were planned to be established on the basis of the DEN's Annual Work Plans and served as benchmarks for disbursements of the loan. They are also used to track the project's intermediate outcome indicators.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

9. The project objectives and indicators were not revised.

1.4 Main Beneficiaries

10. The project was designed to support the Government's efforts in promoting education to meet the objectives of National Education and Training Charter. The direct beneficiaries would include the central government, the ministry in charge of basic education, the regional educational academies, provincial and local education departments.

1.5 Original Components (as approved)

11. Based on the Government request, the World Bank was expected to support the implementation of PARSEM via two consecutive loans, each for an amount equivalent to US\$80 million. The first Bank operation (Loan No. 7273-MO, US\$80 million) supported the first three years of the implementation of PARSEM (an estimated budget of US\$150.55 million).

12. PARSEM had three components:

- *Generalize basic education [estimated cost: US\$95.87 million]:* This component's objective was to ensure that basic education would be available to most school-age children by 2008. Its overall strategy was to increase the provision of schooling in a cost-effective manner by using new construction norms. It would also fund provisions of social services (boarding facilities, school transport, etc) for under-served students by promoting partnerships with local stakeholders. Demand would also be strengthened through the promotion of pre-school education.
- *Improve the quality of education [estimated cost: US\$42.53 million]:* The objective of this component was to improve student learning and reduce dropout and repetition rates. The principal strategy implemented through this component was to establish the capacity necessary to ensure ongoing improvements in the quality of education: systematic assessment of student achievement, cost-effective in-service teacher training and teacher support services, setting and using quality standards to promote and monitor school efforts to improve quality, and the development of a regularly programmed research agenda for the development of quality enhancement innovations.
- *Build institutional capacity [estimated cost: US\$12.16 million]:* This component would support the sector's decentralization process at the central, regional, provincial, and local levels through capacity building. It would also introduce two innovations. First, it would help implement the government-wide public administration reform within the education sector, through program budgeting and personnel deployment based on standard job descriptions. Second, it would improve key systems (procurement, financial management, environment, and social protection) for greater accountability, transparency, efficiency, and performance.

1.6 Revised Components

13. The components were not revised.

1.7 Other significant changes

14. The original closing date for the loan (June 30, 2008) was extended twice (December 31, 2008, and June 30, 2009) to allow more time for the Government to complete the implementation of policy measures identified in the project.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

15. **Soundness of the background analysis.** The background analysis supporting the operation was solid and based on the priorities set by the Government in the National Education and Training Charter (1999) and the measures proposed in the Strategic Framework for the Development of the Education Sector (2004). The policy directions and strategies adopted for PARSEM were based on the lessons learned from the Government's experience of implementing the first phase of the Charter. Furthermore, the operation preparation drew lessons from previous Bank operations in the education sector in Morocco, namely the need for: (i) promoting decentralization to accelerate implementation; (ii) encouraging community contributions to improve access to quality education; (iii) maintaining a balance between building infrastructure and improving education quality, and (iv) matching the implementation capacity of executing agencies and the project design. Based on these lessons, the Bank intended to: (i) support Government initiatives to decentralize education sector responsibilities to regional, provincial, and local levels; (ii) encourage local stakeholders to become more involved in the provision of school services; (iii) limit civil works in order to strike a better balance between access and quality of education; and (iv) use the existing capacities of AREFs and DEN, which, at the time of the project preparation, the Bank assessed as adequate to monitor and implement program activities.
16. **Assessment of the project design.** *The project design was complex and involved a large number of central and decentralized structures in the education sector.* This complexity of design was due to the nature of the project, which was based on a sector wide approach, requiring a large number of actors involved in implementation, new processes put in place to manage the decentralized nature of activities, etc. There were, however, several aspects of quality of entry that were not met, including participation of the AREFs in the design, action plans, and implementation procedures, and detailed assessments of the capacity of decentralized structures to implement the project activities. In addition, the PARSEM goals were ambitious, its end-of-project indicators were often not realistic and there were no clearly defined strategies to achieve those high targets.
17. *The project's use of the results/report-based disbursement method for an investment loan was innovative and its reliance on the national capacities to implement the project was also a positive element.* Disbursements for the project activities were to be made to the Government budget, using the country budgetary system and procedures. The implementation process was planned to be reviewed each year and the funds were to be disbursed annually subject to satisfactory completion of the agreed actions and activities. The PARSEM was also designed to be implemented by the MEN without creating a separate implementation unit.
18. *The concept of SWAp was ill-defined.* PARSEM was the first Bank SWAp operation in Morocco, and in the MENA region overall. During the project preparation the Bank team faced many challenges in using the new approach due to a lack of clarity of the SWAp concept both within the Bank and within the Government. The main issue had to do with the use of country fiduciary and safeguards systems in a SWAp operation. The Government interpretation was that a SWAp is implemented entirely using country systems, while the Bank team expected this to be the case only if the specific government procedures provide an equivalent level of fiduciary risk as that expected using the Bank's procedures. In all other cases, the Bank procedures for traditional investment loans would apply. While the final agreement accepted the Bank approach, the issue remained sensitive throughout the project life. This difficulty could have been avoided or

minimized had the Bank team raised the issue earlier in project preparation, especially with high-level decision makers who were part of the negotiating team.

19. Adequacy of Government's commitment. As the main financier of PARSEM, the Government's commitment to the program was strong. The operation was built around the Government's main priorities for basic education and the proposed project activities were endorsed at the highest levels.
20. Assessment of risks. The critical risks toward meeting program development objectives were identified as: (i) unbalanced implementation due to a possible prioritization of access to education at the expense of the need to improve quality and the institutional capacity; (ii) weak capacities of the newly decentralized education system to implement a rather complex program, and (iii) lack of government resources to implement PARSEM. Arising from components to outputs, there were also additional risks identified related to several program components.
21. Among the risks identified during the project preparation, the issue of weak capacity of the AREFs to implement rather ambitious and complex activities of the PARSEM became a major obstacle during the program implementation. This was particularly evident with regard to fiduciary and safeguard requirements, as the recently created AREFs did not have enough qualified personnel to comply with the Bank requirements on procurement and financial management. The project had envisaged strengthening the capacity of the AREF to meet such requirements and indeed many training workshops were organized, especially in the areas of fiduciary management. However, these efforts were not sufficient to meet the needs and expectations of the key stakeholders.

2.2 Implementation

22. *The implementation of PARSEM was mainstreamed and carried out using the national capacities.* The DEN had overall accountability for meeting the objectives set out in the Strategic Framework, providing oversight, monitoring and evaluation, and technical support to the AREFs. DEN directorates were responsible for their respective areas of expertise for program implementation. In particular, the Directorate of Strategy, Statistics and Planning (DSSP) served as an overall coordinator for the Strategic Framework, and thus the PARSEM. In line with their general responsibilities, the AREFs were also in charge of implementing most of the activities described in the Strategic Framework, such as construction, equipment, and partnership agreements. The DEN, through relevant directorates, was also responsible for implementing most of the institutional capacity building activities of the Strategic Framework. While relying on the national sectoral capacities was a positive element for the project design, on the other hand, the lack of a clearly designated unit responsible for the overall implementation of the project proved to be an additional challenge (see next section).
23. *The project closing date was extended twice to allow the Government more time to implement actions and activities planned under PARSEM.* The majority of the activities planned under PARSEM were implemented and helped achieve the project objectives (Annex 2). The delays in implementing some studies and reforms were partially contributed to the fact the Ministry was deeply involved in the preparation of the Education Emergency Plan requested by the Government. The Bank management reviewed and granted the two closing date extensions in order to give sufficient time to

complete some of the ongoing reforms and to provide a bridge for the preparation of the second Bank operation.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

24. PARSEM had a relatively well-developed results-based framework to monitor progress of the education reform program through Performance and Monitoring indicators. Performance indicators track the overall progress of the education sector, whereas monitoring indicators track reform program implementation. The DSSP had the responsibility for monitoring the implementation of the Strategic Framework and coordinating with other directorates and the AREFs responsible for specific actions and activities. Directorates and AREFs responsible for the implementation of specific activities then provided updates on Monitoring indicators to the DSSP, which consolidated the information received from the directorates and AREFs, synthesized findings, and submitted progress reports to the Bank. The Bank and DEN carried out semi-annual reviews to monitor the program implementation.
25. *Data on the PARSEM performance indicators were collected on a regular basis.* The DSSP has built good capacity to collect, process, and analyze data related to educational outcomes. Published annually, the education yearbook covers statistics on a wide range of indicators. However, there were certain delays in collecting data on PARSEM monitoring indicators. The design of the project required interaction and information sharing among a large number of central and decentralized structures. While the DSSP played a key role in the process, it had to rely on the information coming from different sectoral departments as well as from the AREFs. As mentioned earlier, the capacity of AREFs to furnish necessary data remained limited throughout the project cycle and resulted in delays for program reporting. This resulted in delays in the preparation of project progress reports. The weak coordination and change in leadership within the DSSP also contributed to lower effectiveness and generated delays.

2.4 Safeguard and Fiduciary Compliance

26. *Safeguard measures were included in the project design, but the Bank and Government teams did not comply due to poor interpretation, application and monitoring of these measures.* The Bank and the Government differed in their interpretation and application of a clause in the Legal Agreement that stipulated that all construction activities under the project should take place on land owned by the Borrower and no resettlement of local population should take place. The Government interpretation was that it could purchase land provided that there was no physical resettlement. This resulted in the Government acquiring new land for construction and building up the arrears to land owners, an issue that is common in many sectors in Morocco. According to the project design, during the first year of implementation the Ministry was supposed to create a database for monitoring issues related to land acquisition, but this was not done.
27. *The implementation capacity of AREFs was weak to comply with Bank fiduciary requirements.* The project design gave the AREFs a leading role in project implementation, including fiduciary compliance, but the regional academies lacked the capacity to adequately meet these requirements and the project did not provide sufficient training to significantly improve such capacities. The newly created AREFs show evidence of limited capacity in managing their budgets in general and in carrying out

procurement in particular. In mid-2008, in an effort to better understand reported difficulties encountered by AREFs in applying PARSEM procedures, a MEN working group visited six AREFs with a questionnaire and issued an internal report that recommended: (i) developing an operational manual for the use of regional budget; (ii) providing additional training on to AREF fiduciary staff; (iii) improving information sharing between central and decentralized structures; and (iv) developing an information management system to improve financial management. The implementation of these recommendations would be critical for the success of the Education Emergency Plan (EEP) and the Bank's new operation.

28. *Disbursements were slow due to delays in project implementation as well as in data collection and reporting.* Beyond the first initial advance to the special account in April 2005, there were a total of three disbursements every two years, in June 2005, June 2007, and June 2009, accordingly.
29. *Annual audits were carried out annually by the Inspection générale des finances (IGF).* There were no major irregularities during 2005-07, the three years of Bank financing of PARSEM. The 2008 audit of PARSEM activities, mainly financed by the Government, has identified a number of financial management issues, including some expenditures that were not properly classified. It would be important to address these irregularities and to give proper attention to financial management in future operations.

2.4 Post-completion Operation/Next Phase

30. *The Bank will continue supporting the education sector in Morocco via a programmatic series of development policy loans (DPL).* The decision to change the financing instrument from a non-investment loan to a DPL was based on a request from the Government to employ a more flexible financing mechanism that would rely fully on the use of national systems. This instrument is also in-line with the way other development partners finance the EEP implementation.
31. Currently under preparation, the proposed three single-tranche DPL would support the refinement and implementation of the EEP reform agenda, in close collaboration with the other donors. The DPL instrument would support essential policy measures and actions while reinforcing results-based approaches. The DPL program is being developed in close coordination with the Government to ensure full ownership of the processes, actions and outcomes.
32. The proposed DPL would help put in place the education reform program and accelerate implementation between 2010 and 2013. The first Education Development Policy Program (EDPPO1) would support key initial institutional and regulatory measures as well as the introduction of new approaches to improve service delivery effectiveness and efficiency. The second operation (EDPPO2) would support deepening institutional reforms and scaling up the program to tackle core cross-cutting issues, while the third operation (EDPPO3) would aim to consolidate the reform implementation, building on the results of preliminary effectiveness and impact evaluation studies.

3. Assessment of Outcomes

1.1 Relevance of Objectives, Design and Implementation

33. *The project objectives remain highly relevant although too ambitious.* Morocco has always attached particular importance to education and training, viewing them as key elements of economic and social development. The country's diverse population constitutes a rich human potential and is associated with a strong commitment to unity. Implementation of the 2000 National Charter of Education and Training (CNEF) resulted in impressive progress in terms of access to education. Efforts to increase the availability of educational services and opportunities have led to expanded access to education at all levels.
34. The PARSEM objectives, however, were overly ambitious and the design did not adequately take this into consideration in preparing the program, and failed to link activities to the performance indicators. The project did not fully assess the capacity gaps and ensure adequate organizational strengthening and it did not ensure an appropriate assessment of policy reform implementation.

3.2 Achievement of Project Development Objectives

35. *The project has mainly achieved its objectives.* Although the Bank's contribution to the overall education sector budget was modest (less than 10 percent of total annual spending), the PARSEM activities were well-aligned with the main sector objectives and played an important role in increasing access to education, particularly in rural areas, improving education quality, and promoting decentralization.

Component 1: Generalize basic education: Moderately Satisfactory.

36. *The project largely succeeded in achieving the objectives of this component.* During the life of the project, for instance, there were significant improvements in education outcomes for middle school, one of the main areas of focus by PARSEM¹: the net enrollment rate increased from 32 percent (2004) to 47.4 percent (2008), with 53.9 percent of rural communities having middle schools in 2008 compared to 39.6 percent in 2004; the retention rate increased from 71.5 percent (2004) to 79 percent (2008), and the end-of-cycle completion rate increased from 43.7 percent (2004) to 53.5 percent (2008). Despite this progress, however, the actual increases were less than the initial end-of-project indicator target values. Improvements in primary education were more modest, explained partially by the fact that the subsector has reached the plateau and the incremental increase in primary education outcomes requires specific interventions for certain vulnerable groups and children with special needs. The project's activities in this area also resulted in a significant increase in the number of students receiving assistance through social services.

Component 2: Improve the quality of education: Moderately Unsatisfactory

37. During the life of the project there was very modest progress made at the national level in reducing dropout and repetition rates, the two indicators used to measure the quality of education. The project, however, was successful in supporting the development and

¹ The outcome indicators used in the ICR are based on the Ministry of education estimates using the 1994 population census data and they differ from more recent estimates that use the 2004 population census data. This approach was adopted to be able to compare the data recorded during the project preparation and implementation.

conduct of the first national evaluation of student learning in mathematics, science, Arabic and French. The Moroccan National Education Council's 2008 survey of learning achievement points to small gender gaps in mathematics and science, but large gender gaps in favor of girls in Arabic and French. In addition, there are considerable differences between urban and rural areas and between public and private schools.

Component 3: Build institutional capacity: Moderately Satisfactory

38. PARSEM activities were instrumental in supporting the Government effort for capacity building and decentralization in the education sector. Despite the program's shortcoming, PARSEM had a strong impact on delegating more responsibility and accountability to decentralized structures (AREFs and Delegations) as well as on promoting a school-based approach in sector programming. In 2009, the AREFs have a much stronger capacity to independently develop and manage their regional education sector programs and they have become an active player in the national dialogue on future education reforms.

3.3 Efficiency

39. At the project preparation stage, the cost of reforms suggested in the Strategic Framework was based on: (i) the education sector targets with regards to access and internal efficiency; (ii) an education sector model to determine the resources required to meet these targets; and (iii) the impact on the government budget, including identification of the financing gap and options to close the gap. The main indicators used for the simulation model were an annual growth rate (assumed to grow annually at 5 percent), the government budget and the share of education recurrent spending, and targets for access to and efficiency of education (repetition, promotion, and retention). Depending on the three scenarios considered for the simulation model, this estimation suggested a financial gap of 21 to 36 percent of the recurrent budget, to be covered in part by the Bank financing provided under PARSEM.
40. The economic analysis at the project preparation stage did not include a full cost-benefit or cost-effectiveness analysis; therefore, it is difficult to quantitatively measure the performance of internal efficiency indicators. Nevertheless, the PARSEM included actions that were intended to make the reform financially sustainable. Such actions included, among others, a more efficient use of personnel with the use of polyvalent teachers; more balanced allocation of non-salary expenditures between social and pedagogical expenditures; closer monitoring of the teacher/student ratio and its impact on expenditures; and optimal use of school infrastructure.
41. During the implementation of PARSEM, the macro level economic indicators were mainly consistent with the estimates, with the Moroccan economy growing at a steady rate and the share of education budget remaining constant and even growing. The internal efficiency, however, failed to meet the targets, as repetition, drop-out, promotion and retention rates have not significantly improved during this period. With the government spending on education rapidly increasing under the EEP (education spending at the regional level, for instance, is almost doubling between 2009 and 2010), the Government is eager to see improvements in internal efficiency through a new sector programming that is based on results and not constrained by the availability of resources.

3.4 Justification of Overall Outcome Rating

Rating: Moderately Satisfactory

42. *The project objectives were highly relevant to the country needs and the project mainly reached its objectives.* The main education sector outcomes show good progress in the areas where PARSEM made its main interventions, namely in achieving full primary education enrollment, increasing equitable access to middle school, improving quality of education, and promoting decentralization. Impact could have been greater if sufficient attention had been paid during design and implementation to processes of implementation (*how to*) and to support, especially at local levels, for capacity building in these “*how to*” areas.
43. Despite shortcomings, the program played an important role in maintaining and furthering reforms in the education sector and its experience and lessons provided a bridge to the development of a new education plan (EEP). The program, however, was less successful in sizably improving internal efficiencies as improvements in retention, repetition and completion rates, particularly in primary education.

3.5 Overarching Themes, Other Outcomes and Impacts

(if any, where not previously covered or to amplify discussion above)

44. While focusing only on basic education, PARSEM was part of the Bank’s overall support to the Government in: (i) increasing access to basic education, literacy and other social services, and (ii) improving the quality and effectiveness of service delivery. Together with other Bank projects in the social sectors, PARSEM contributed to the objective of increasing access to basic services and promoting participatory approaches and partnership arrangements. The experience of PARSEM has been critical for the on-going preparation of the first DPL in the human development sector in Morocco, the second phase of the Bank’s support to the Government to implement the 1999 CNEF.

(a) Poverty Impacts, Gender Aspects, and Social Development

45. Policies and interventions supported by PARSEM were largely pro-poor and promoted gender- and geography-based equity. During the project life, for instance, at the middle school level the girls’ net enrollment rate increased from 31.2% to 46.8% and their repetition rate decreased from 15.5% to 12.7%. The operation also focused on improving physical and financial accessibility of basic education to all school-aged children in an equitable manner. It also contributed to improving the inclusiveness of the overall country’s economic and social development by providing access, through education, for the poor and the marginalized to reap the benefits of economic opportunities. The project placed much emphasis on the execution of supply- and demand-side interventions to narrow the gap between lagging and leading geographical regions (especially between urban, rural and peri-urban areas), as well as between girls and boys. There was a large increase in the number of students, particularly girls, receiving different types of social assistance, such as scholarships, transport, and school lodging.

(b) Institutional Change / Strengthening

46. PARSEM made an important contribution in promoting decentralization in the education sector in Morocco and via its activities helped to improve the capacity of AREFs and

Delegations to implement a variety of sector reforms. The school-based project programming was also an important mechanism for delegating responsibilities to the school level. Capacities of decentralized structures, however, remain weak and the Bank and the Government have agreed to continue working together to strengthen these capacities.

(c) Other Unintended Outcomes and Impacts

47. Lessons learned from PARSEM have been integrated in the Government's Education Emergency Plan, a strategic sector document that has been put in place to accelerate the implementation of the Education and Training Charter. The EEP has four main axes: (i) provision of mandatory education till the age of 15; (ii) promoting initiative and excellence in secondary and higher education; (iii) strengthening management at all education levels; and (iv) sector financing. Improving quality of education and promoting results-based sector performance are also important priorities in the Plan.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

48. There were no beneficiary surveys or stakeholder workshops conducted for this ICR.

4. Assessment of Risk to Development Outcome

Rating: Moderate

49. *The Government is committed to further reforms in the education sector and it has significantly increased its budget for the sector.* The political will for the reforms remains high at all levels, with the highest level authority actively involved in setting the country's long-term education vision focused on improved quality education. Despite overall slowdown in the world economy due to the current financial crisis, the macroeconomic prospects for Morocco remain positive and the country's economy is expected to maintain its healthy growth in the coming years. In addition to maintaining high-level spending on education, reaching the ambitious education goals set in the EEP would also require that the Government build consensus among all stakeholders and maintain its socioeconomic stability during the period when the country would need to undertake sensitive, but necessary, measures to improve sector governance and to increase internal efficiencies.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

50. The Bank performance in ensuring quality at entry is rated *Moderately Unsatisfactory* due to the issues related to project preparation and its design. The ambiguity on the use of country fiduciary and safeguard systems under a SWAp was not resolved until the project negotiations and the issue remained thorny and had a negative impact throughout the project life on the quality of dialogue between the Bank and the Government. The

project was complex, its indicator targets were often not realistic, and the risk mitigation measures concerning the new decentralized structures were not solid.

(b) Quality of Supervision

Rating: Moderately Satisfactory

51. The Bank quality of supervision is rated *Moderately Satisfactory*. Supervision missions and annual reviews were carried out on a regular basis, and the Bank team was proactive in providing guidance and support to the Government in the project implementation. However, the team perhaps focused too narrowly on fiduciary issues (where, it is evident that the capacity of decentralized structures was particularly low), whereas the complexity of the project called for a broader focus that would include a greater emphasis on the technical aspects of the project.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Satisfactory

52. Overall Bank Performance is rated *Moderately Satisfactory* due to the Bank team efforts in providing good support to the Government in the implementation of PARSEM, an innovative, although complex, SWAp-based education project. The Bank team also played an important role in supporting the MEN to develop its Education Emergency Plan (EEP), particularly on issues related to improving quality of education and effectiveness of public expenditures, which would be supported by the Bank's follow-up operation. The Bank's active role in donor harmonization in the context of preparing the follow-up operation to support the EEP implementation was particularly successful.

5.2 Borrower Performance

(a) Government Performance

Rating: Satisfactory

53. The Government remained committed to the reforms outlined in PARSEM, witnessed, for instance, by its willingness and flexibility to accept and adopt World Bank fiduciary and safeguard policies to implement the program. The Government has also been proactive in terms of assessing the implementation of the education Charter and developing a new education action plan (EEP) to accelerate reforms in the sector.

(b) Implementing Agency or Agencies Performance

Rating: Moderately Satisfactory

54. The Ministry in charge of education faced challenges in implementing such a complex sector wide program within its relatively newly decentralized structure. Despite this, the authorities made much effort and largely succeeded in training the Ministry's central and decentralized staff to understand and apply the Bank fiduciary and safeguard policies. The Ministry, however, was less successful in putting in place an efficient monitoring

and evaluation system to collect and analyze data and information on PARSEM activities in a timely manner.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

55. The Borrower's overall performance is rated *Moderately Satisfactory* based on the following factors:

- Government performance is Satisfactory
- Implementing Agency performance is Moderately Satisfactory.

6. Lessons Learned

56. PARSEM experience provides the following important lessons:

- The concept of S WAP should be more clearly defined to avoid confusion and misinterpretation both by the Bank and Government teams.
- The project design should be realistic in terms of the ability of the different agencies to implement reforms, and capacity developments should be provided on a regular and permanent basis. The effective implementation of some reforms requires time, especially in the human development sectors. It is important to take into consideration the time required to build up executing agencies' capacity when preparing the reform implementation plan, especially when the agencies are in the process of being developed.
- Project preparation should include representatives of all structures involved in the operation, central and decentralized, to better inform preparation and implementation of the project. On the other hand, key issues related to project design and implementation should be brought early to the attention of high-level policy makers to avoid delays at the project negotiation stage.
- Communication channels among various actors (central, regional, provincial, and schools) should be maintained throughout the life of the project, not just at its launch, and mechanism should be established to foster this communication.
- More efforts should be made to harmonize national and Bank fiduciary and safeguard policies at the country level so that the policy dialogue can be more focused on substance and less on procedures and processing.
- Bank supervision mission should not be limited to follow-up meetings with the central authorities, but should also include regular interactions with and support to the decentralized levels. Having a sector specialist in the country office is critical for maintaining regular policy dialogue with the Government.
- The role of project implementation manuals should not be underestimated as they are most often the first and main document to guide project implementation, especially for decentralized units and agencies. Manuals should be updated frequently and translated into the national language.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

(b) Co-financiers

(c) Other partners and stakeholders

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Component 1: Generalize basic education	95.87 95.	87	100.00
Component 2: Improve the quality of education	42.53 42.	53	100.00
Component 3: Build institutional capacity building	12.16 12.	16	100.00
Total Baseline Cost	150.56 150.	56	100.00
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	150.56 150.	56	100.00
Front-end fee PPF	0.00	0.00	0.00
Front-end fee IBRD	0.30	0.30	100.00
Total Financing Required	150.86 150.	86	100.00

(b) Financing

Source of Funds	Type of Co-financing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		70.55	70.55	100.00
International Bank for Reconstruction and Development	80.	00	80.91 ²	101.14

² The difference between the appraisal and actual values is due to exchange rate fluctuations between US\$ and Euro.

Annex 2. Outputs by Component

Status of agreed outcomes indicators						
Indicators	Measurement					
	Baseline Value		Progress To Date ³		End-of-Project Target Value	
	Number or text	Date	Number or text	Date	Number or text	Date
1. Net Primary Enrollment Rate [by gender, urban (U) / rural (R) / total (T)]	Girls: 95.3% (U), 83.1% (R), 89.2% (T) Boys: 97.1% (U), 92.2% (R), 94.6% (T) Total: 96.2% (U), 87.8% (R), 92.0% (T)	12/17/2004	In 2007-08: Girls: 91.7% Boys: 96.2% Total: 93.5%	06/30/2008	In 2007-08 Girls: 97% Boys: 97% Total: 97%	06/30/2009
2. Net Middle School Enrollment Rate [by gender, urban (U) / rural (R) / total (T)]	Girls: 51.4% (U), 9.3% (R), 31.2% (T) Boys: 52.9% (U), 13.8% (R), 32.8% (T) Total: 52.1% (U), 11.7% (R), 32.0% (T)	12/17/2004	In 2007-08: Girls: 46.8% Boys: 48.1% Total: 47.4%	06/30/2008	Girls: 50.0% Boys: 50.0% Total: 50.0%	06/30/2009
3. Repetition Rate at Primary [by gender, urban (U) / rural (R) / total (T)]	Girls: 9.7% (U), 12.8% (R), 11.3% (T) Boys: 14.5% (U), 16.7% (R), 15.7% (T) Total: 12.2% (U), 15.0% (R), 13.6% (T)	12/17/2004	In 2008-09 Girls: 10.0% Boys: 14.4% Total: 12.3%	06/30/2009	Girls: 7.5% Boys: 10.5% Total: 9.1%	06/30/2009
4. Repetition Rate at Middle [by gender, urban (U) / rural (R) / total (T)]	Girls: 16.1% (U), 11.9% (R), 15.5% (T) Boys: 21.1% (U), 19.3% (R), 20.6% (T) Total: 18.7% (U), 16.9% (R), 18.4% (T)	12/17/2004	In 2008-09: Girls: 11.5% Boys: 18.2% Total: 15.2%	06/30/2009	Girls: 10.6% (U), 7.8% (R), 10.2% (T) Boys: 13.9% (U), 12.7% (R), 13.6% (T) Total: 12.3% (U), 11.1% (R), 12.1% (T)	06/30/2009
5. Retention Rate at Primary - Survival Rate until end of cycle [by gender, urban (U) / rural (R) / total (T)]	Girls: 89.2% (U), 47.2% (R), 65.5% (T) Boys: 81.9% (U), 53.9% (R), 65.7% (T) Total: 85.7% (U), 50.9% (R), 65.8% (T)	12/17/2004	In 2008-09: Girls: 77.0% Boys: 77.0% Total: 75.8%	06/30/2009	Girls: N/A (U), N/A (R), 86.9% (T) Boys: N/A (U), N/A (R), 87.1% (T) Total: N/A (U), N/A (R), 87.2% (T)	06/30/2009
6. Retention Rate at Middle - Survival Rate until end of cycle [by gender, urban (U) / rural (R) / total (T)]	Girls: 80.8% (U), 72.6% (R), 79.3% (T) Boys: 67.4% (U), 64.4% (R), 66.5% (T) Total: 73.8% (U), 67.4% (R), 71.5% (T)	12/17/2004	In 2006-07: Girls: 84.1% Boys: 74.6% Total: 79.0%	06/30/2007	Girls: N/A (U), N/A (R), 97.9% (T) Boys: N/A (U), N/A (R), 82.0% (T) Total: N/A (U), N/A (R), 88.2% (T)	06/30/2009
7. End of Cycle Completion Rate at Primary [by gender, urban (U) / rural (R) /	Girls: 82.4% (U), 37.8% (R), 57.1% (T) Boys: 75.4% (U), 45.7% (R),	12/17/2004	In 2006-07: Girls: 62.3% Boys: 63.3% Total: 63.1%	06/30/2007	Girls: 118.6% (U), 85.9% (R), 82.2% (T) Boys: 108.7% (U),	06/30/2009

³ The outcome indicators used in the ICR are based on the Ministry of education estimates using the 1994 population census data and they differ from more recent estimated that use the 2004 population census data. This approach was adopted to be able to compare the data recorded during the project preparation and implementation.

total (T)]	58.1% (T) Total: 79.2% (U), 42.2% (R), 57.8% (T)				65.8% (R), 83.7% (T) Total: 114.0% (U), 60.8% (R), 83.3% (T)	
8. End of Cycle Completion Rate at Middle [by gender, urban (U) / rural (R) / total (T)]	Girls: 56.6% (U), 22.7% (R), 51.6% (T) Boys: 44.7% (U), 17.1% (R), 38.4% (T) Total: 50.3% (U), 18.9% (R), 43.7% (T)	12/17/2004	In 2006-07: Girls: 61.0% Boys: 47.2% Total: 53.5%	06/30/2007	Girls: 92.6% (U), 37.1% (R), 84.4% (T) Boys: 73.2% (U), 27.9% (R), 62.9% (T) Total: 82.3% (U), 31.0% (R), 71.4% (T)	06/30/2009
Intermediate outcome indicator(s)						
1. Increasing number of rural communities with access to middle schools.	500 rural communities have access to middle schools.	12/17/2004	645 rural communities have access to middle schools (in 2007-2008),	04/30/2009	620 rural communities with access to middle schools	06/30/2009
2. Increasing number of students who receive assistance through social services via partnership grants	Partnership with the community to provide social services grants is not well developed.	12/17/2004	A total of 78,732 schoolchildren benefited from scholarships (2007-2008).	04/30/2009	30,000 students who benefit from social services provided through partnership grants under PARSEM.	06/30/2009
3. Capacity to conduct evaluation on student learning in basic disciplines is functional and institutionalized.	There is no system to systematically evaluate student learning.	12/17/2004	New standardized testing was administered to the primary (4th, 6th years) and lower secondary (2nd, 3rd years in 4 subject matters in June 2008. The results have been published.	04/30/2009	Publication of results of the evaluation of student learning of a sample of students using the new evaluation system.	06/30/2009
4. New strategy for in-service training and inspection of teachers put in place	Provision of in-service training is fragmented.	12/17/2004	A new in-service training framework has been developed with EU support. Pre-service training of bi-disciplinary teachers is being piloted in 5 CPR (for lower secondary education).	04/30/2009	An action plan to develop this strategy is established.	06/30/2009
5. Number of school-based projects developed, adopted, and implemented.	None 12/	17/2004	About 100 million Dh have been allocated in the 2009 budget. Mechanisms of budget delegation to the school levels have been agreed with MF. Training has been provided to key	04/30/2009	The first school-based subprojects are evaluated, with lessons drawn.	06/30/2009

			actors at AREF level. Almost 90 percent of schools are involved in the initiative.			
6. Budget and financial management performance and capacity upgraded	Traditional budgeting	12/17/2004	The 2007 and 2008 budgets were prepared on a contractual basis.	04/30/2009	Process of contract-budgeting of these first 2 years is evaluated and lessons drawn.	06/30/2009
7. New construction and equipment norms applied in primary and middle schools.	Methods and designs of school construction and equipping are not standardized.	12/17/2004	New construction and equipment norms have been defined and validated.	04/30/2009	Application of new norms in construction and equipment in new schools.	06/30/2009
8. Management Statistical Information System (MSIS) reinforced in AREF and DEN	System at AREF level is yet to be developed. At the central level, system is yet to be strengthened.	12/17/2004	Study to develop such a system has been launched.	04/30/2009	Master plan management statistical information system put in place and reinforced in AREF and DEN	06/30/2009

Annex 3. Economic and Financial Analysis

The financial analysis carried out at the time of project preparation concluded that the sector goals of the Strategic Framework and the Education Charter were financially sustainable over the long term, with a temporary spike of additional resource requirements expected over the next decade. The estimations showed that demand for basic and upper secondary education would peak in five and ten years after the PARSEM launch, which led to the assumption that there would be a shift of some resources from primary to middle to upper secondary school over that period. Nevertheless, the financial simulations predicted at that time an overall financing gap averaging 12 percent of the education expenditure annually over the ten years following the project commencement. The simulations assumed an average economic growth rate of 5 percent and held education spending as a proportion of government spending constant.

To help ease the budget pressure, the Strategic Framework included several measures and actions aimed at improving sector efficiency, such as (i) increasing the average number of hours taught by middle and upper secondary school teachers to officially sanctioned levels and introducing polyvalent teachers who can teach more than one discipline, and (ii) limiting the growth of non-salary expenditures allocated teachers and students social services (housing subsidies, boarding facilities, etc.) for the savings to be reallocated to finance improvements in the quality of education (e.g., teacher in-service training and school grants).

The project estimates, nevertheless, predicted that on the investment side a considerable gap could remain as the government attempts to meet targets to increase school enrollment. The PARSEM would finance a study on construction norms during the first year of the program to determine whether more cost effective approaches could be adopted to reduce the overall cost of building schools. Additionally, it was projected that using partnerships grants to local entities to establish and run boarding facilities for middle and upper secondary school students would decrease overall sector investment needs.

The implementation of PARSEM and the analysis carried out in preparation of the EEP showed that ensuring the financial sustainability of school expansion and strengthening the overall sector's governance remain challenging. Expanding education has exerted tremendous financial pressure on Morocco's national budget. Public expenditure in the education sector has been below 5 percent of GDP on average and around 20 percent of the national budget over the past five years. Between 2004 and 2008, the nominal amount of public spending increased faster than the GDP growth, but the share of education as part of GDP and total government budget declined (Table 1). The overly large amount of education expenditure reflects problems with technical and financial efficiency and the relatively high burden of salary expenditures on the system. This structural element calls for particular attention to be paid to the quality of management and allocation of human resources within the Moroccan education system.

Table 1: Public expenditure on education as share of total government budget and GDP (%)

Year	MEN/GoM	MEN/GDP
2004 23	5	4.7
2005 21	2	4.9
2006 21	2	4.5
2007 21	1	4.6
2008 19	4	4.5

Source: MEN

Table 2: Education expenditure by school level (million dirhams)

School level / Year	2004		2008	
Primary 13,	022	0.55	16,910	0.54
Middle school 6,	452	0.27	8,512	0.27
Secondary 4,	268	0.18	5,638	0.18
	23,742	1.00	31,060	1.00

Source: MEN

Lower and upper secondary education absorbs nearly half of the education sector budget, with no major changes in the composition of education spending by school level in the past five years (Table 2). The decline in primary student enrollment, following the demographic shift, provides favorable conditions for a reallocation of resources to support expansion of other levels of the education system. Ensuring a greater accountability for education outcome improvements by the various actors remains a challenge. It is critical that resource reallocation be made in an effective manner to avoid compromising the system's financial sustainability. The unit operating cost for secondary education is substantially higher than that for primary education, and it is about twice as high per student as in other countries in the region. The high cost of secondary education is explained by the allocation of human resources, with low student/teacher ratios compounded by a high ratio of administrative staff (nearly three administrative workers for every ten teachers).

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Michel Welmond	Sr. Education Specialist	AFTED	TTL I
Rafika Chaouali	Lead Financial Management Specialist	MNAFM	
Andreas Wildt	Consultant	OPCPR	
Claudine Kader	Senior Program Assistant	MNSHD	
David Webber	Lead Finance Officer	CTRFC	
Kangbai Konate	Consultant	WBIHD	
Dung-Kim Pham	Operations Officer	AFTED	
Supervision/ICR			
Anas Abou El Mikias	Sr. Financial Management Specialist	MNAFM	
Siaka Bakayoko	Country Manager	AFMGN	
Fatiha Bouamoud	Program Assistant	MNCMA	
Ousmane Diagana	Country Manager	AFMNE	TTL-II
William Experton	Lead Education Specialist	AFTHE	
Rebekka E. Grun	Economist	MNSHD	
Abdoulaye Keita	Procurement Specialist	MNAPR	
Rie Kijima	Consultant	EASHD	
Alaleh Motamedi	Senior Procurement Specialist	MNAPR	
Dung-Kim Pham	Operations Officer	MNSHD	
Rachidi B. Radji	Senior Human Development Specialist	MNSHD	TTL-III
Michel J. Welmond	Lead Education Specialist	AFTED	
Andreas Wildt	Consultant	OPCPR	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY96 0.	6	2.34
FY97 2.	4	8.70
FY98 14.	2	51.69
FY99 23		82.76
FY00 18		65.38
FY01 21		100.59
FY02 5		29.71
FY03 1		10.70
FY04 48		350.90
FY05 45		281.44
FY06 2		13.31
FY07 0.	1	0.43
FY08		0.00
Total:	180.3 997.	95

Supervision/ICR		
FY96		0.00
FY97		0.00
FY98		0.00
FY99 0.	5	1.70
FY00 0.	4	1.47
FY01		0.00
FY02		0.00
FY03 4		16.67
FY04		0.00
FY05 2		11.80
FY06 24		147.77
FY07 28		183.38
FY08 24		127.24
FY09 13		0.00
Total:	95.9 490.	03

Annex 5. Beneficiary Survey Results

There was no beneficiary survey conducted for this ICR.

Annex 6. Stakeholder Workshop Report and Results

There was no stakeholder workshop held for this ICR.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Comments on the Bank draft ICR were requested from the Government, but they were not received by the time when the ICR was finalized.

The Government's draft ICR as well as the Government's final project progress report dated April 2009 identify overall weak implementation capacity of AREFs and their difficulties in applying Bank procurement requirements as the main reasons behind delays in implementation of certain PARSEM activities. The reports also recommend that: (i) future operations apply entirely the national procurement rules for new school infrastructure, and (ii) future donor interventions are harmonized within a common program.

Annex 8. Comments of Co-financiers and Other Partners/Stakeholders

There are no comments from other partners/stakeholders.

Annex 9. List of Supporting Documents

World Bank (2005) Project Appraisal Document, Basic Education Reform Project, report No. 30721-MOR

World Bank (2009) Project Appraisal Document (*Draft*), Education Development Policy Program

Royaume du Maroc, Ministère de l'Éducation nationale, Rapport de revue à mi-parcours du PARSEM (version définitive), Avril 2009

World Bank Project Implementation Documents (Aide-mémoire, ISR, BTOR)



