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Report No: PAD5668

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM PAPER

ON A

PROPOSED ADDITIONAL LOAN

IN THE AMOUNT OF EUR 233.1 MILLION
(US\$250 MILLION EQUIVALENT)

TO THE

KINGDOM OF MOROCCO

FOR THE

PUBLIC SECTOR PERFORMANCE (ENNAJAA) PROGRAM-FOR-RESULTS
MAY 28, 2024

Governance Global Practice
Middle East And North Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2024)

Currency Unit = Dirham Marocain
(MAD)

MAD 10.08 = US\$1

EUR 0.93 = US\$ 1

FISCAL YEAR

January 1 - December 31

Regional Vice President: Ousmane Dione

Country Director: Jesko S. Hentschel

Regional Director: Nadir Mohammed

Practice Manager: Jens Kromann Kristensen

Task Team Leader(s): Yannis Arvanitis, Laila Moudden, Walid Dhouibi



ABBREVIATIONS AND ACRONYMS

ADD	Digital Development Agency (<i>Agence de Développement du Digital</i>)
ADII	Customs administration (<i>Administration des Douanes et des Impôts Indirects</i>)
AF	Additional Financing
AM	Accountability Mechanism
API	Application Programming Interface
AREP	Regional Agency for Project Implementation (<i>Agences Régionales d'Exécution des Projets</i>)
CAS	Special Allocation Account (<i>Compte d'Affectation Spéciale</i>)
CBT	Climate-Budget-Tagging
CCDR	Country Climate and Development Report
CDAI	Commission for the Right of Access to Information (<i>Commission du Droit d'Accès à l'Information</i>)
CDG	Deposit Management Fund (<i>Caisse de Dépôt et de Gestion</i>)
CGI	General Interoperability Framework (<i>Cadre Général d'Interopérabilité</i>)
CMU	Country Management Unit
CNCP	National Public Contracts Commission (<i>Commission Nationale de la Commande Publique</i>)
CNDP	National Control Commission for the Protection of Personal Data (<i>Commission nationale de contrôle de la protection des données à caractère personnel</i>)
CNSS	National Social Security Fund (<i>Caisse Nationale de Sécurité Sociale</i>)
COFIL	Steering Committee (<i>Comité de Pilotage</i>)
CPER	State-region planning contract (<i>Contrat de Plan Etat-Region</i>)
CPF	Country Partnership Framework
CRB	Climate Responsive Budget
CSO	Civil Society Organization
CST	Special Treasury Account
DAAG	Dept. of Administrative and General Affairs (<i>Direction des Affaires Administratives et Générales</i>)
DAGG	Department of General Affairs and Governance (<i>Direction des Affaires Générales et de la Gouvernance</i>)
DB	Budget Directorate (<i>Direction du Budget</i>)
DCAI	Control, Audit and Inspection Department (<i>Direction du Contrôle, de l'Audit et de l'Inspection</i>)
DDE	State Domains Directorate (<i>Direction des Domaines de l'Etat</i>)
DEPP	Directorate of Public Enterprises and Privatization (<i>Direction des Entreprises Publiques et de la Privatisation</i>)
DGCT	General Directorate for Local Governments (<i>Direction Générale des Collectivités Territoriales</i>)
DGI/GDI	General Tax Directorate (<i>Direction Générale des Impôts</i>)
DLI	Disbursement Linked Indicators
DLR	Disbursement Linked Results
DO	Development Objective
DRA	General Directorate for Administrative Reform (<i>Direction Générale de la Réforme Administrative</i>)
DTFE	Directorate of Treasury and Exterior Financing (<i>Direction du Trésor et du Financement Extérieur</i>)
E&S	Environmental and Social
eGP	e-Government Procurement
ESSA	Environmental and Social Systems Assessment
EUR	Euro



FRD	Special State Reemployment Fund (<i>Fonds de Réemploi Domaniaal</i>)
GB - OP	General Budget - Investment and Operating expenses
GDP	Gross domestic product
GHG	Greenhouse gas
GID	Integrated Expenditure Management System (<i>Gestion Intégrée de la Dépense</i>)
GIR	Integrated Revenue Management
GIR-CT	Integrated Revenue Management - Local authorities (<i>Gestion Intégrée de la Recette - Collectivités Territoriales</i>)
GIS	Geographic Information System
GOM/ GoM	Government of Morocco
GRB	Gender Responsible Budgeting
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HCP	High Commission for Planning (<i>Haut Commissariat au Plan</i>)
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IFSA	Integrated Initial Evaluation of the Fiduciary System
IGF	General Inspectorate of Finance (<i>Inspection Générale des Finances</i>)
IMF	International Monetary Fund
IP	Implementation Progress
IRI	Intermediate Results Indicator
ISR	Implementation Status and Results
KPI	Key Performance Indicator
LOF	Organic Law of Finance
LT	Long-Term
M&E	Monitoring and Evaluation
MAD	Moroccan Dirham
MAPS	Methodology for Assessing Procurement Systems
MD	Managing Director
MEF	Ministry of Economy and Finance (<i>Ministère de l'Économie et des Finances</i>)
MEFRA	Ministry of Economy, Finance, and Administrative Reform
MENA/MNA	Middle East and North Africa
MI	Ministry of the Interior (<i>Ministère de l'Intérieur</i>)
MICVEN/ MIICEN	Ministry of Industry, Investment, Trade, and Green and Digital Economy (<i>Ministère de l'Industrie, du Commerce, de l'Economie Verte et Numérique</i>)
MS	Moderately Satisfactory
MSME	Micro, Small, and Medium-sized Enterprise
MTNRA	Ministry of Digital Transition and Administration Reform (<i>Ministère de la Transition numérique et de la réforme de l'Administration</i>)
NARSA	National Agency for Road and Safety (<i>Agence Nationale de la Sécurité Routière et du Trafic</i>)
NDC	Nationally Determined Contribution
NDM	New Development Model
NOG	General Orientation Note (<i>Note d'Orientation Générale</i>)
NTC	National Tax Conference (<i>Assises Nationales de la Fiscalité</i>)



OB	Open Budget
OBS	Open Budget Survey
OCDS	Open Contracting Data Standards
ODIN	Open Data Inventory
ODRA	Open Data Readiness Assessment
OECD	Organization for Economic Cooperation and Development
OPCI	Real Estate Investment Trust (<i>Organisme de Placement Collectif en Immobilier</i>)
OPRC	Operational Procurement Review Committee
PAD	Project Appraisal Document
PAP	Program Action Plan
PBT	Treasury Budget Project (<i>Projet de Budget de Trésorerie</i>)
PDO	Project Development Objective
PEF	Program Expenditure Framework
PEFA	Public Expenditure and Finance Accountability
PFM	Public Financial Management
PforR	Program for Results
PIM	Public Investment Management
PIU	Project Implementation Unit
PLF	Finance Law Project (<i>Projet de Loi de Finances</i>)
PLR	Performance and Learning Review
POM	Program Operation Manual
PP	Performance Plan (<i>Projet de Performance</i>)
RA	Results Area
RDP	Regional Development Plan
SDG	Sustainable Development Goals
SGG	General Government Secretariat (<i>Secrétariat général du gouvernement</i>)
SME	Small and Medium-sized Enterprise
SOE	State-Owned Enterprise
TA	Technical Assistance
TC	Technical Committee
TGR	Treasury General of the Kingdom (<i>Trésorerie Générale du Royaume</i>)
TH	Housing Tax (<i>Taxe d'Habitation</i>)
TNC	Third National Communication
TOC	Theory of Change
TP	Professional Tax (<i>Taxe Professionnelle</i>)
TSC	Communal Services Tax (<i>Taxe sur les Services Communaux</i>)
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
USD / US\$	United States Dollar
VAT	Value Added Tax (<i>Taxe sur la Valeur Ajoutée</i>)
WB	World Bank
WHO	World Health Organization (<i>Organisation mondiale de la santé</i>)



BASIC INFORMATION – PARENT (Morocco Public Sector Performance (ENNAJAA) Program - P169330)

Country Morocco	Product Line IBRD/IDA	Team Leader(s) Yannis Arvanitis	
Project ID P169330	Financing Instrument Program-for-Results Financing	Does this operation have an IPF component? No	Practice Area (Lead) Governance

Implementing Agency: Ministry of Economy and Finance

Is this a regionally tagged project? No	Bank/IFC Collaboration No	
Original Approval Date 15-Dec-2021	Effectiveness Date 06-Jun-2022	Closing Date 31-Dec-2025

Program Development Objective(s)

The Program Development Objective is to improve performance and transparency of government operations and service delivery

Ratings (from Parent ISR)

	Implementation	Latest ISR
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	20-Mar-2022	22-Sep-2022	28-Mar-2023	20-Oct-2023	26-Apr-2024
Progress towards achievement of PDO	S	S	S	S	S
Overall Implementation Progress (IP)	S	S	S	S	S
Overall Risk	M	M	M	M	M
Technical	S	S	S	S	S
Fiduciary Systems	S	S	S	S	S
E&S Systems	S	S	MS	MS	MS
Disbursement Linked Indicators (DLI)	S	S	HS	S	S
Monitoring and Evaluation	S	S	S	S	S


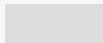
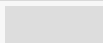
BASIC INFORMATION – ADDITIONAL FINANCING (Morocco Public Sector Performance (ENNAJAA) Program Additional Financing - P181679)

Project ID	Project Name	Additional Financing Type	
P181679	Morocco Public Sector Performance (ENNAJAA) Program Additional Financing	Restructuring, Scale Up	
Financing instrument	Product line	Approval Date	Will there be additional financing for the IPF component?
Program-for-Results Financing	IBRD/IDA	20-Jun-2024	No
Projected Date of Full Disbursement	Bank/IFC Collaboration		
10-Jun-2028	No		
Is this a regionally tagged project?			



No

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD	450.00	174.19	255.38	 41 %
IDA				 %
Grants				 %

PROGRAM FINANCING DATA – ADDITIONAL FINANCING (Morocco Public Sector Performance (ENNAJAA) Program Additional Financing - P181679)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Government program Cost	624.70	367.00	991.70
Total Operation Cost	450.00	367.00	817.00
Total Program Cost	448.88	367.00	815.88
Other Costs	1.13	0	1.13
Total Financing	450.00	367.00	817.00
Financing Gap	0	0	0

DETAILS – Additional Financing

Counterpart Funding	117.00
Borrower/Recipient	117.00
International Bank for Reconstruction and Development (IBRD)	250.00



COMPLIANCE

Policy

Has the parent Program been under implementation for at least 12 months?

Yes

Have the DO and IP ratings for the parent Program been rated moderately satisfactory or better for at least the last 12 months?

Yes

Does the program depart from the CPF in content or in other significant respects?

No

Does the Program require any waivers from Bank policies?

No

INSTITUTIONAL DATA

Practice Area (Lead)

Governance

Contributing Practice Areas

Digital Development
Poverty and Equity

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

TASK TEAM

Bank Staff

Name	Role	Specialization	Unit
Yannis Arvanitis	Team Leader (ADM Responsible)	Public Sector	EMNGU
Laila Moudden	Team Leader	Public Sector	EMNGU



Walid Dhouibi	Team Leader	Procurement reform	EMNRU
Mohammed Bennani	Procurement Specialist (ADM Responsible)	Procurement	EMNRU
Fatou Fall Samba	Financial Management Specialist (ADM Responsible)	Financial Management	EAWG1
Jean Charles Amon Kra	Financial Management Specialist	Financial Management	EMNGU
Houcine Gabi	Social Specialist (ADM Responsible)	Social Development	SMNSO
Sultana Ajem	Environmental Specialist (ADM Responsible)	Environmental issues	SMNEN
Ali Ali Hassan Salamah	Team Member	Operations	EMNGU
Arthur Denis Pascal Foch	Team Member	Digital Development	IDD08
Elena Segura Labadia	Counsel	Legal	LEGAM
Federica Marzo	Team Member	Gender / Data	EMNPV
Herve Hocquard	Team Member	Decentralization	SMNUR
Holy Tiana Razafimahefa Rame	Peer Reviewer	Public Sector	EGVPP
Jens Kromann Kristensen	Program Manager	Public Sector	EMNGU
Khalid Anouar	Environmental Specialist	Environment	SMNEN
Lorena Vinuela	Peer Reviewer	Public Sector	EAWG1
Majda Benzidia	Team Member	Gender	EMNPV
Rabah Ounissi	Team Member	Public Sector	EMNGU
Roland Lomme	Team Member	Public Sector	EMNGU
Si-Ambhaivan Sisombat	Team Member	Collaborative leadership	EMNGU
Urska Zrinski	Peer Reviewer	Public Sector	ELCG2
Zoubida Al Tayib	Counsel	Legal	LEGAM

Extended Team

Name	Title	Organization	Location
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Morocco

Morocco Public Sector Performance (ENNAJAA) Program Additional Financing

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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. This Program Paper seeks the approval of the Board of Executive Directors for a EUR 233.1 million (US\$250 million equivalent) Additional Financing (AF) and a restructuring, of the Morocco Public Sector Performance (ENNAJAA) Program for Results (P169330). Approved in the amount of US\$450 million on December 15, 2021, the program was declared effective on June 6, 2022, with a closing date of December 31, 2025. The Program supports the implementation of the ENNAJAA government program across three Results Areas (RA): (i) improving the efficiency of public expenditure (RA#1), (ii) improving public revenue management (RA#2), and (iii) improving the foundations of digital transformation through interoperability and Open Data (RA#3). The Program’s Development Objective is to improve the performance and transparency of government operations and service delivery. The proposed AF aims to accompany the scaling up of government ambitions across key results areas.

2. After almost two years of implementation, ENNAJAA Program is on track both from a results and disbursement perspective. Progress towards achievement of the Program’s Development Objective (PDO) is rated satisfactory, as is Implementation Progress (IP) as per the latest Implementation Status and Results (ISR) report (archived on April 26, 2024). The disbursement rate stands at 41 percent (including advance) not accounting for a sizeable disbursement under verification. To date, ten Disbursement Linked Results (DLR) have been achieved and verified, leading to a EUR 94.5 million net disbursement – and another 8 DLRs have been submitted for verification with an expected disbursement of EUR 54.9 million (equivalent to 14.2 percent of the loan) by end-June 2024. Further, three DLRs are scheduled to be submitted for verification by July/August 2024 to the tune of EUR 52.3 million (equivalent to 13.5 percent of the loan). This would bring total disbursements in September to 68.7 percent including advance, and 52.2 percent excluding advance.

Table 1: Achievement of Disbursement Linked Indicators and disbursements under the parent Program

RA	DLIs	Value (US\$ million)	% of DLI disbursement (or under verification) (Excluding advance)	% DLI Disbursement expected by sept. 2024 (Excluding advance)
RA #1	DLI1: Strengthening the performance approach introduced by the Organic Law of Finance (LOF)	62	100%	100%
	DLI 2: Introducing a Climate sensitive Budget (to be restructured)	50	0%	0%
	DLI3: Enhancing the Decentralization agenda by strengthening regions’ public investment management	50	10%	40%
	DL4: Improving the efficiency of public procurement through data production and analysis	42	48%	86%
RA #2	DLI 5: Improving tax compliance and performance of the tax administration	50	10%	100%
	DLI6: Increasing resources of municipalities	80	8%	70%
RA #3	DLI7: Improving data exchange and interoperability of information systems	56	36%	36%
	DLI8: Improving the proactive disclosure of open government data	60	17%	17%
		450	38.7%	52.2%

3. The Program is steadily moving towards the achievement of its development objective, with significant results thus far across results areas.



- *Under results area 1*, progress in rolling out the 2015 Organic Law of Finance (LOF) was achieved with 11 Ministries improving performance projects by strengthening their quality and adopting management charters. The share of performance indicators for which annual targets have been achieved stands at 48 percent, in line with expectations as per the related PDO-level indicator. Additionally, 394 staff have been trained in gender-based budgeting, surpassing the goal of 160 staff captured as an intermediate-result indicator. At the local level, enhancements in budget programming quality for regional projects is taking shape, with ongoing verifications related to DLIs supporting medium-term expenditure planning for investments and strengthening of monitoring local development plan oversight. On public procurement, the DLI-supported creation of the national observatory for public procurement is achieved to further improve transparency.
- *Under results area 2*, the Tax Administration's (DGI) tax compliance efforts show substantial progress, leading to improvements in compliance and revenue collection in line with PDO-level indicators. The increase in targeted additional revenue collected by the DGI is being materialized: in 2022, DGI registered more than 338 000 taxpayers through its online tax platform. Compared with 2020, the additional revenues collected by the DGI have increased by 47 percent in 2021 and 24 percent in 2022, exceeding the target of 15 percent.¹ At the local level, digitalization in local taxation progresses steadily, alongside initiatives promoting e-filing and e-payment and streamlining tax processes. Such efforts are yielding results and the PDO-level indicator measuring the increase in revenue from local taxes in targeted municipalities has been met, with a 22 percent increase against a target of 8 percent.
- Lastly, under *results area 3*, strides towards digital transformation are led by the Ministry of Digital Transition and Administrative Reform (MTNRA) and the Digital Development Agency (ADD). Noteworthy achievements include the establishment of the National interoperability platform and regulatory acts promoting database interoperability. Additionally, efforts to increase access to and improve the quality of Open Data show traction, with numerous datasets published and ongoing enhancements in data reuse potential.

4. Since ENNAJAA's approval in 2021, government ambitions with regards to public sector performance have increased, prompting the demand for further support. The implementation of the 2015 LOF, which underpins the Program, has been successful as reflected in improvements in Morocco's ratings in the 2024 Public Expenditure and Finance Accountability (PEFA) assessment from 2015 to date. Conversely, the PEFA report – as well as other key diagnostics such as the ongoing Public Finance Review – suggests areas for improvement on which the Government of Morocco (GoM) is basing the increased scope and reach of its program. Many of these are embedded in new strategies or reform intentions such as amendments in the LOF, more ambition with regard to gender and climate budgeting, reforms of the SOE sector, and upcoming reforms on local revenue mobilization. In addition, the impetus for improved service delivery against far-reaching ongoing reforms (e.g., social protection, health etc.), pressing infrastructure needs (e.g., transport bottlenecks, hydric stress etc.) and various concurrent challenges (Al Haouz Earthquake, etc.) leads the GoM to fasten pace and ambition to instill a performance culture in the public administration as per the LOF.

¹ Consolidated data for 2023 will not be available until July 2024.



5. **Considering the increased breadth and depth of its program, and cognizant of ENNAJAA's performance, the borrower has requested a combination of additional financing and restructuring.** The additional financing will be underpinned by the *scale-up of Program results to enhance development impact*. The proposed restructuring will include an extension of the Program implementation period by thirty-six (36) months, with a new closing date of December 31, 2028, as well as changes in (i) Disbursement Linked Indicator 2 (DLI#2) on Climate Budgeting, (ii) an adjustment in DLI#3 to strengthen E&S systems at the regional level, and (iii) DLI#5 to go beyond tax administration to fiscal and non-fiscal tax revenues. While the AF will focus on RA#1 and RA#2 through new and scaled up DLIs, RA#3 will remain within the program albeit with unchanged scope.

II. INTRODUCTION

6. **The AF and Restructuring would involve new DLIs and related revisions to the result matrix and limited adjustments to implementation arrangements.** Based on the government request for support, the AF will focus on RA#1 and to a more limited extent on RA#2. Efforts under RA#3 will be maintained but not covered by the AF. The PDO of the parent Program - improve the performance and transparency of government operations and service delivery - is adequate for the AF and remains unchanged as it can accommodate the inclusion of additional areas of the government program and the scaling up of objectives and targeted results. Some PDO level indicators and Intermediate Result Indicators (IRIs) are revisited both in substance and targets to ensure that they reflect progress made so far towards their achievement, the broadening of the scope of the Program to new dimensions of public financial management, and the scaling up of ambitions, including along the result chain towards output and outcome-level results. The geographic scope remains as defined in the parent program².

Budgetary performance: scaling-up of RA#1

7. **While significant progress has been made in the implementation of the 2015 Organic Finance Law, headway remains to be accomplished on important dimensions of budget management that will benefit from enhanced support through the AF.** The 2023 PEFA assessment highlights significant improvements of Morocco's scores since 2015, with ratings of A or B+ across 14 indicators and improvements in 27 sub-indicators. Yet the assessment also reflects lasting weaknesses in public access to budget information; public investment management; management of public assets; public debt management; accounting and reporting; and parliamentary oversight and external auditing. Concurrently, while the performance drive instilled by the 2015 Organic Law has taken hold, it is not uniformly applied, and challenges remain. These include the application of quality standards across all ministerial departments, evaluation and accountability in relation to performance, and alignment of performance projects with key service providers. Gender budgeting is being promoted, yet the tracking of related expenditures or the inclusion of gender criteria in public investment projects is still pending. Critical preparatory steps are taking place for Climate-Budgeting, but delays have been incurred in rolling it out.

8. **The impetus for stronger budgetary performance is backed by preparation for amendments at the level of the LOF.** Approved in 2015, the LOF defines core budgetary and accounting rules, enshrines the

² The geographic scope of the operation comprises the regions and municipalities as listed in the Program's Operational Manual (POM).



principles of accountability and evaluation, extends the right of parliamentary amendment, and helps strengthen budgetary transparency. The objectives of the LOF reform are to promote institutional debate between Parliament and government on the governance of public finances, to support the current momentum of institutional reforms, to strengthen financial principles and rules through the introduction of new provisions; and to broaden the scope of application of LOF provisions. With regards to the latter, and in complementarity with the PfoR operation focusing on the SOE reform (P181522 - FY24 delivery) which is being prepared in parallel, the Program will seek to mitigate the fiscal impact of the SOE sector. It will also help introduce and implement critical provisions regarding public investment management.

9. Key infrastructure needed to strengthen resilience, promote growth, and ensure greater access to markets and services as per the New Development Model (MDN) have put Public Investment Management back in the reform spotlight. Coping with water scarcity has long been a governmental priority and large infrastructure investments are planned for that purpose in the decades to come.³ The annual King's Speech in 2022 highlighted the need to improve public and private investment⁴ so as to boost economic and social growth. Public investment, accounting for 19 percent of the GDP, is crucial given the investment needs in several sectors (water desalination plants, ports, schools, and hospitals. etc.) as well as Morocco hosting major upcoming international events (the 2025 African Nation Cup and the 2030 World Cup). On public investment management (PIM), the Budget Directorate (DB) is currently assessing (with the support of the OECD) the Moroccan PIM system. A PIM guide will be drafted covering every stage of the investment cycle (selection, monitoring and evaluation). The improvement of investment selection should further improve budgetary performance and help best meet service delivery needs.

10. Employing the budget as a tool to foster sustainable and equitable development is critical in Morocco. Poor households, particularly women, youth, rural populations, and micro, small, and medium-size enterprises (MSMEs), face significant economic hardships due to extreme weather events like floods, landslides, droughts, and heat waves, which Morocco is highly vulnerable to. These events are expected to become more frequent and severe in the coming decades. Apart from physical infrastructure damage and economic losses, there will be substantial public health consequences, including increased disease prevalence and a tenfold rise in heat-related mortality.⁵ Actions and result targets related to climate and gender-based budgeting will be scaled up and restructured to ensure their effective roll-out under the AF.

11. Similarly, the AF will address fiscal fragmentation embodied in numerous budgetary and extra-budgetary entities at both the central and local government levels. Despite a stable number of special treasury accounts (CSTs) (+/- 55 over past years), their total value has increased from MAD 68 billion in 2012 to MAD 151 billion in 2022. Central government expenditure through all CSTs is funded by ear-marked fiscal resources. Such fiscal fragmentation limits budgetary unity and often dilutes

³ World Bank, 2023, Morocco Economic Monitor: From Resilience to Shared Prosperity.

⁴ King's Speech of October 2022 in front of the Parliament

⁵ Wooden and others. 2014. "Impact of Weather Shocks on MENA Households." World Bank Group; WHO (World Health Organization), and UNFCC (United Nations Framework Convention on Climate Change). 2015. *Morocco's Climate and Health Country Profile*; World Bank. 2018. *Morocco Country Profile*; ThinkHazard! (a natural disaster risk screening tool); World Bank. 2016. *Morocco Climate Adaptation Briefing*; By 2050, climate-induced water scarcity is expected to cost the MENA region 6–14 percent in GDP growth (World Bank. 2018. *Beyond Scarcity: Water Scarcity in the Middle East and North Africa*, xxviii); *Climate Risk Profile: Morocco (2021)*. The World Bank Group. The Kingdom suffers from acute water stress. Annual per capita water availability has dropped from 2,600 cubic meters in 1960 to 700 cubic meters in 2017 (Nationally Determined Contribution, pp. 1, 16). By 2030, the average Moroccan will have 500 cubic meters of water to use annually or about 1.37 cubic meters per day.



transparency in the use of public funds. It can also compromise aggregate fiscal discipline⁶. The upcoming 2024 LOF reform plans to further rationalize CSTs and introduce a "revenue cap" to limit their overall volume. Any (tax) revenue exceeding this cap will be redirected to the State's general budget. The AF incentivizes the implementation of the rule to cap the amount of earmarked revenues, thereby increasing revenue accruing to the general budget. At the sub-national level, local government operations exhibit a limited degree of fiscal decentralization, underscored by a consistent under-execution of capital budgets. This situation indicates a need for capacity development and Public Financial Management (PFM) systems reinforcement before assigning further responsibilities to local governments.⁷

12. While improvements in budget transparency have been notable in some areas, the AF will support deepening ongoing transparency reforms. Significant efforts have also been made to improve fiscal transparency and efficiency, notably since the adoption of the LOF. Budget classification has improved as noted in PEFA indicator PI-5 on budget documentation (now B, against D in 2016), and performance projects and related reports are systematically drawn up by departments and ministries with improved quality of related information. This PEFA finding comforts efforts deployed under ENNAJAA to improve performance budgeting. However, budget documentation still suffers from a lack of data and analysis on financial assets, budget risks and data on medium-term budgeting. Public access to budgetary information still falls short of expectations, due in particular to the relatively late publication of documents. This is equally reflected in the latest (2021) Open Budget survey, where Morocco scores 48/100. A transparency score of 61 or above indicates a country is publishing sufficient information and data to support informed public debate on the budget.

Enhancing revenue management to accelerate the NDM roll-out: scaling-up of RA#2

13. Resource mobilization remains critical for the achievement of NDM objectives, improvements of service delivery and to address financing needs. The NDM estimates that an additional government spending per year should reach 10 percent of GDP by 2030. Customs are following suit with the approval of a "Strategic Plan of the Customs and Indirect Tax Administration 2024-2028", as is the General Tax Administration with a new strategy 2024-2028. Revenue mobilization also involves entities across government, such as non-commercial establishments with renewed efforts to improve revenue collection to finance critical services to citizens. Concurrently, the GoM intends to leverage its immovable assets for revenue generation (and investment promotion). This includes leasing out properties to private tenants, selling surplus or underutilized assets, and exploring opportunities for joint ventures and development projects.

14. At the local level, the GoM is committed to strengthening financial autonomy of local governments – especially municipalities – and pursue the decentralization agenda initiated in 2015 and emphasized by the 2021 NDM. The success of the decentralization agenda hinges on ensuring steady resources to the largest municipalities of the Kingdom where 64 percent of the population resides (concentrated in the ten largest cities). Local taxes represent 80 percent of revenues in these municipalities. In 2020, the enactment of law 07-20 reforming the local tax governance framework aimed to improve collection of state-managed local taxes. Along with the digitization of the collection process for taxes managed locally, the reform was supposed to boost municipalities' revenue. While the

⁶ Ref. ongoing Public Finance Review (Morocco Key Fiscal Developments and Issues: A Series of Fiscal Notes as Background to Public Finance Review; June 2023).

⁷ Issues also transpiring in the Municipal Performance Program (P168147).



reform is now effective, the government is committed to expand the local tax base of municipalities and ensure their financial autonomy by further exploring options to broaden the tax base and improving interoperability of systems between the Integrated Revenue Management System for Local Governments (*Gestion Intégrée de la Recette, Collectivités Territoriales* [GIR-CT]) and key partners (water and electricity distributors, national council of notaries, etc.).

15. The proposed AF is well aligned with the World Bank Group Country Partnership Framework for Morocco FY19–FY24 (CPF) (Report No. 121039-MA), and extended to FY2025 at the Performance and Learning Review (PLR) stage. ENNAJAA is the primary mechanism for operationalizing the CPF’s governance and citizen participation foundational pillars, comprising objective 11 (“improve the efficiency of public spending”) and objective 12 (“improve transparency and develop the building blocks for effective citizen-state engagement”). While the pillar and its objectives have been confirmed by the 2023 PLR, their indicators were adjusted to respond to the changes in the country context: (i) CPF objective 11 on improving the efficiency of public spending will be fostered by performance-budgeting and strengthening Public Investment Management (PIM), in alignment with the ENNAJAA AF. Besides, by adding a PIM component, the ENNAJAA AF is aligned with the CPF objective 11.2 of improving investment management. (ii) Improving transparency and developing the building blocks for effective citizen-state engagement will be strongly supported by the ENNAJAA AF with a DLI on Budget transparency.

III. PROPOSED CHANGES

A. Program Boundaries

16. The PforR will continue supporting the GoM's program to enhance government performance and transparency, adopting a comprehensive approach to modernize Moroccan public administration. The focus remains on PFM and government operations modernization through digitization for better service delivery. The program encompasses strategies and legislative reforms, including the 2015 LOF, public procurement reform, the Advanced Regionalization Act, and the Digital Development Agency’s (ADD) 2025 strategic orientation. The expansion of the program includes proposed amendments to the LOF, and the State Domains Directorate’s (DDE) 2022-2026 strategic plan.

17. The proposed additional financing will prioritize public spending efficiency (RA#1) and revenue management (RA#2) for a deeper and more impactful engagement. It will deepen engagement in key economic governance reforms, leveraging the World Bank’s expertise, particularly in the reform of the Organic Budget Law, informed by the 2024 PEFA and ongoing Public Finance Review (PFR). Tax management will focus on sub-national levels, and non-tax revenues through State Asset Management, as the national DGI Strategic Action Plan is still being prioritized. Although digitization remains a priority, the new national digital strategy will proceed separately from the ENNAJAA-supported program. While RA#3 (Digital administration) will remain unchanged, the AF will include digital components in other areas. Nonetheless, the AF and restructuring was an opportunity to incorporate editorial adjustments were made on DLI#8 to clarify verification elements and provide greater precision on results sought, without making substantive changes in terms of content.

Table 2: ENNAJAA AF Program boundary

	Government Program	Parent ENNAJAA Program	AF & Restructuring of ENNAJAA Program
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Objective	To improve performance and transparency of government operations and service delivery	To improve performance and transparency of government operations and service delivery	Unchanged
Duration	2021-2025 (extension to 2028)	2021-2025 (extension to 2028)	2024-2028
Sectoral coverage	Targeted sectors: - Public spending efficiency - Domestic revenue mobilization - Digital services	Targeted sectors: - Public spending efficiency - Domestic revenue mobilization - Digital services	Targeted sectors: - Public spending efficiency - Domestic revenue mobilization - Digital services
Geographic boundary	National	As defined in POM	As defined in POM
Results areas	<p>RA#1: Public spending efficiency</p> <ul style="list-style-type: none"> - Local public spending - Public procurement - Performance-budgeting - Climate-budgeting - Decentralization <p>RA#2: Public revenue management</p> <ul style="list-style-type: none"> - Local tax administration - Customs administration <p>RA#3: Digital administration</p> <ul style="list-style-type: none"> - Digital services - Interoperability - Open Data 	<p>RA#1: Public spending efficiency</p> <ul style="list-style-type: none"> - Local public spending - Public procurement - Performance-budgeting - Climate-budgeting - Decentralization <p>RA#2: Public revenue management</p> <ul style="list-style-type: none"> - Local tax administration - National tax administration <p>RA#3: Digital administration</p> <ul style="list-style-type: none"> - Interoperability - Open Data 	<p>RA#1: Public spending efficiency</p> <ul style="list-style-type: none"> - Local public spending (scale-up) - Public procurement (scale-up) - Performance-budgeting (scale-up) - Climate-budgeting - Decentralization (scale-up) - Public investment management (new) - Open budget (new) - Gender-budgeting (new) <p>RA#2: Public revenue management</p> <ul style="list-style-type: none"> - Local tax administration (scale-up). - National tax administration (scale-up) - Active asset management and revenue increase from State Domaine (New) <p>RA#3: Digital administration</p> <ul style="list-style-type: none"> - Interoperability - Open Data
Overall Financing	<ul style="list-style-type: none"> - Initial prg: Est. US\$625 million - Scaled-up prg: US\$992 million 	US\$450 million	US\$250 million

18. Core activities under result Area 1 remain as per the parent Program⁸ with scale-ups as per the program boundaries outlined above. These focus on the support for the implementation of the Organic Budget Law and the strengthening of the value for money in public procurement. Some activities are scaled-up such as the adoption of quality standards of performance indicators and a management control charter, or the integration of gender and climate responsive considerations into the Borrower's results-based budget. New activities under the AF include: (a) the implementation of management

⁸ Under the parent program, these include: (a) the adoption of quality standards of performance indicators and a management control charter; (b) the reform of the budget structure of the Regions, including a performance-based classification; (c) the integration of gender and climate responsive considerations into the Borrower's results-based budget, including the provision of training on gender-budgeting to selected ministries; (d) the upgrading of the Borrower's public procurement database; and (e) the preparation of an Open Contracting Data Standards readiness study.



controls for program budgeting, (b) the strengthening of budgetary unity through the rationalization of CST, (c) the implementation of financial management instruments to non-commercial establishment in view of LOF amendments, (d) the identification of expenditures under regional development programs (at project level) in the Integrated Financial Management System (GID), (e) the publication of citizen budgets at regional and municipal levels, (f) the roll-out of an Open Budget Platform, (g) the roll-out of a multi-year action plan aimed at increasing budget transparency, and (g) the upgrade of the Istithmar public investment monitoring platform.

19. Under results area 2, while core activities remain⁹, scale-up is limited and program scope increase is met mostly through new activities, including: (a) the preparation of the new reform law on local taxation, (b) the upgrade of the revenue recovery Code for non-commercial establishments, (c) the upgrade of the State Domain GIS platform, and (d) the elaboration of risk mapping for revenue collection for State Domains.

B. Expenditure framework

20. The proposed Additional Financing consists of US\$ 250 million of IBRD financing, complemented by a government contribution of US\$ 117 million. It will thus scale up the overall program volume from US\$ 625 million to US\$ 992 million.

Table 3: Program Financing (in US\$ million)

Financing Source	Original Program	AF	Total
BORROWER/RECIPIENT	175	117	292
IBRD/IDA	450	250	700
OTHER	-	-	-
TOTAL	625	367	992

21. Execution of current expenditure framework. A financial reconciliation has been conducted between the expenditures of the parent operation and the disbursements to date. The Actual expenses incurred over 2022 and 2023 amount to MAD 1,133,171,310, equivalent to EUR 104,661,875. This exceeds disbursements (net of advances) made by the World Bank to date, which totals EUR 94,509,600, (including advances, disbursements stand at EUR 167,030,000).

22. AF & restructuring are underpinned by an extended expenditure framework consisting of: (i) budgetary allocations from the Ministry of Economy and Finance (MEF) that are focused on implementing result-driven budget reforms and enhancing the management of public revenues – and include activities linked to budgetary transparency and public investment management; (ii) projects under the State-Region Program Contract for Fez Meknes, which contribute to the region's economic development and aim to reduce social and territorial disparities; and (iii) the proactive management of assets and the increase of revenues from the State Domains. The provision of additional funds would facilitate the scaling up of the Program's deliverables, thereby augmenting the efficacy of a program that is already yielding positive results.

⁹ These include: (a) the roll-out of a multi-year risk management action plan aimed at ensuring increased tax compliance; (b) the strengthening of the data sharing with the tax administration through the interoperability of relevant platforms; (d) the introduction of digital tools to pay taxes and the digitalization of back-end processes; and (e) the upgrade of the GIR-CT system to synchronize central government systems with municipal systems.



23. Updated expenditure framework. The AF has the same financial structure as the original program, except for minor adjustments. The DAGG will be excluded from the expenditure framework for RA#1 because it has been integrated into the MEF thereby ceasing to exist as an independent unit. DGI is being removed from the expenditure framework for RA#2 as it will not form part of the scale-up of activities. Expenses related to RA#3 (ADD, MNTRA) will also be excluded from the expenditure framework. The budget lines from DB, Department of Administrative and General Affairs (DAAG), Authority for customs and indirect taxes (ADII), and Treasury General of the Kingdom (TGR) will maintain support for RA#1 and RA#2, in conjunction with projects under the State-Region Program Contract for Fez-Meknes. Additionally, the Special State Reemployment Fund (FRD) managed by the Directorate of the State Domaine (DDE) of the MEF, will support RA#2. This account is tasked with the administration of revenue generated from the sale or leasing of state property, with the intent to redirect these funds towards targeted objectives, such as the enhancement of public real estate or the support of public benefit initiatives. The FRD is integrated into the state budgetary process, with its allocations adjusted annually to reflect the developmental needs and decisions of the government. Acquisition of administrative building is the relevant budget subline for the revised Program boundary, and suitable as per fiduciary and ESF assessments. The inclusion of the Directorate of Public Enterprises and Privatization (DEPP), as a new implementing entity with new DLIs under RA#1 and RA#2, is planned, but it will not be integrated into the PEF.

Table 4: AF Program Expenditure Framework

RA	Ministry	Depart.	Type of expenditure	Budget Program	Parent PForR 2021-2025	AF 2025	AF 2026	AF2027	AF2028	Total amount
					(Million US\$)	(Million US\$)	(Million US\$)	(Million US\$)	(Million US\$)	(Million US\$)
RA1	MEF	DB	General Budget – Investment and Operating expenses (GB – OP)	P115 Economic policy and public finance strategy	5.7	0.5	0.5	0.5	0.5	7.7
	MEF	DAAG		P130 Steering and Management	84.6	4.7	4.7	4.7	4.7	103.4
	MEF	TGR		P117 Execution of public expenditure and public accounting	32.4	0.8	0.8	0.8	0.8	35.6
	MI	Fes-Meknes Region	Investment projects	Signed contracts	352.0	77.7	77.7	77.7	77.7	662.8
TOTAL RA1					474.7	83.7	83.7	83.7	83.7	809.5
RA2	MEF	ADII	GB – OP	P116 Facilitating and securing trade and consumer protection	47.7	0.3	0.3	0.3	0.3	48.9
	MEF	DGI		P118 Tax revenue mobilization and collection	45.3					45.3
	MEF	DDE	3200113003: State Reemployment Fund	P119 Management of the State Private Domain: 20 – Acquisition of administrative building		7.9	7.9	7.9	7.9	31.6
TOTAL RA2					93.0	8.2	8.2	8.2	8.2	125.8
	MEF	DAGG	GB – OP	P140 Steering and Management	5.3					5.3
RA3	MTNRA	DRA	GB – OP	P124 Administrative reform and improvement of public services	17.0					17.0
		ADD	GB – OP	P429 Digital Economy	35.0					35.0
TOTAL RA 3					57.3					57.3
Total Parent PForR and AF					625.0	91.9	91.9	91.9	91.9	992.6



C. Changes to the results matrix

24. At PDO-level, indicators are changed to reflect the amplified ambitions and scope of the program. For the three original PDO-level indicators, targets are updated to reflect increased ambition. Two new PDO level indicators are added to reflect new areas covered under the additional financing.

Table 5: Changes to PDO-level indicators.

PDO-level indicator under the parent Program	Current achievements	Revisions / additions	Rationale
Share of performance indicators for which annual targets have been achieved (with a target of 50%)	48% (Target 50% in 2025)	Increased target to 55%	The increased ownership of performance projects by ministerial departments – notably through the application of management charters and quality standards (DLRs #1.3 and #1.4) – underpins increased ambitions.
Share of gender-related indicators for which targets have been achieved (with a target of 50%)	41% (Target 50% in 2025)	Increased target to 55%	As above.
Increase revenue from local taxes in targeted municipalities (with a target of 8%)	22% (Target 20% in 2025)	Increased target to 20%	Past trends suggest that the target needs to be recalibrated upwards.
-		Addition of a new indicator on increased revenues from State Assets mobilisation (excluding Innovative financing): +8 percent yearly.	This indicator is also a DLI and would capture the increased capacity of central administration in managing revenue collection in line with RA#2.
-		Addition of a new indicator on Morocco’s rating under the Open Budget Survey: objective is to reach 61/100, from current 48/100 rating	As above

25. At the level of intermediary indicators, changes are made to capture the increased scope covered by the program. The number of ministries supporting common indicators is increased to reflect the commensurate increase in the related DLI, while the target related to Climate Sensitive Budgeting is reviewed downwards. Considering the scope of climate tagging and related complexities in generalizing it across the Budget, the related DLI is reviewed to include pilots between the setting of the methodology and a full-fledged climate sensitive budget. This cautious approach is taken considering that well-crafted Climate-Budget Tagging (CBT) can be critical - amongst others - for green bond issuance as considered in the Morocco Climate PforR Operation / Support to the Nationally Determined Contribution (NDC) (P178763).¹⁰ A new IRI is added on the decrease in the amounts held in CSTs (more specifically the *Comptes d’Affectation Speciale* – CAS). The CASs have accumulated significant balances over time, and persistently underspent their revenue. As surpluses have accumulated, they have been carried forward from year to year. As of end-2021, the accumulated balance of the CAS altogether was

¹⁰ Climate Budget tagging is a critical piece to the Climate-Smart PFM arrangements in which Morocco is venturing. Other key workstreams are supported by the Climate P4R operation/support to NDC and include: (i) the alignment of the upcoming NDC to the Medium-Term Expenditure Framework in 2025/26; (ii) the development of a Green economic taxonomy, and (iii) the emission of Green Bonds. The Bank takes a holistic cross-operational view on Climate-Smart PFM, as in addition to ENNAJAA and the Climate PforR, the upcoming SOE-focused PforR operation (P181522) caters for Climate reporting by SOEs.



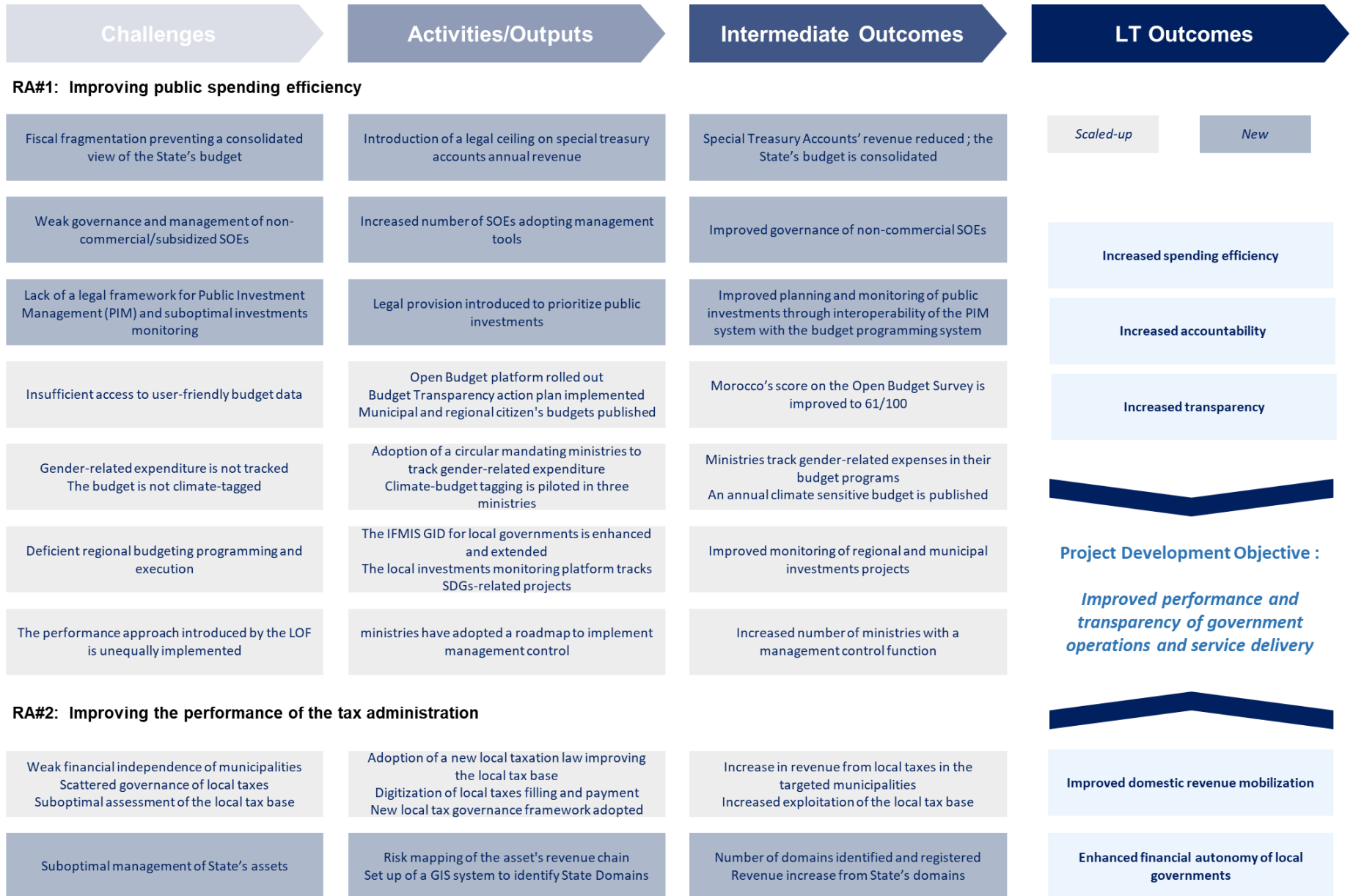
estimated at 9 percent of GDP.¹¹ This potentially introduces spending rigidities and is addressed through the introduction of specific results targets under DLI#1.

Table 6: Changes to Intermediate-level indicators.

IRI under the parent Program	Status	Considered revisions / additions	Rationale
The number of ministries using common priority indicators for their Support Programs in line with the standards outlined the circular Annual summary of Performance Projects published. (#)	Modified	From an end-target of 11 to 37	Recalibration of indicator based on DLI scale-up.
Annual Climate Sensitive Budget published (#)	Modified	From 2 to 1	Considering the technical difficulties in generalizing climate budgeting, the process will include periods of piloting across critical ministerial departments. This decrease reflects what is realistically possible to ensure that Climate-budgeting is conducted with the necessary quality.
Decrease in the proportion of tax revenue allocated to CASs compared with tax revenue allocated to the General Budget. (i.e. observing a downward trend over time).	New	A target downward trend of -0.5% per annum, relative to the reference year.	This indicator will reflect the decline, over time, in tax revenues allocated to the CAS. This will strengthen the unity of the budget and improve budgetary flexibility.

26. The Theory of Change (TOC) remains the same as for the initial program, bar the addition of *public investment management* as a key challenge under RA#1 and the *utilization of State assets for revenue management* for RA#2. The graph below presents the overview of the TOC focusing on the AF. A detailed TOC is presented in the addendum to the addendum to the technical assessment.

¹¹ World Bank (2023). Morocco Key Fiscal Developments and Issues: A Series of Fiscal Notes as Background to Public Finance Review.





D. Changes to Disbursement Linked Indicators

27. A readiness assessment was applied in the selection of sub-areas to be supported through DLIs. The assessment looked at the (i) level of dialogue depth, analytical backing and strengthen of strategic anchors, (ii) maturity for implementation, (iii) ownership by ministerial units carrying out the bulk of the work, and (iv) the value added of World Bank support. Overall, three new DLIs with 8 DLRs are introduced under the AF. For existing DLIs, scaled-up actions are captured in 12 new/revised DLRs.

Table 7: DLIs and strategic references

DLIs	Strategic references / Analytical underpinnings	ENNAJAA Amount (US\$ million)	AF amount (US\$ million)
Results Area #1			
Scaled-up DLI 1: Strengthening the performance approach introduced by the LOF	- MEF Perf. Program 115 - LOF proposed amendments. - Bank TA - PEFA & PFR	62	50
Restructured DLI 2: Introducing sustainable and equitable budgeting	- Parent program - Gender PEFA - MEF Perf. Program 115	50	28
Scaled-up DLI 3: Enhancing the Decentralization agenda by strengthening regions' public investment management	- Advanced Regionalization Act - National tax conference	50	36
Scale-up DLI 4: Improving the efficiency of public procurement through data production and analysis	- Art. #6 Decree no 2-22-431 - MEF Perf. Program	42	8
New DLI 9: Improving budget transparency	- MEF Perf. Program 115 - PEFA 2023 (PI-11) - PEFA & PFR	-	37
New DLI 10: Improving the programming, monitoring, and transparency of public investments.	- MEF Perf. Program 115 - PEFA Pilar II & PI-9 - Open Budget Survey - PEFA & PFR	-	25
Results Area #2			
Scaled-up DLI 5: Improving tax compliance and revenue collection performance	- PP prg 116	50	15
Scaled-up DLI 6: Increasing revenue of municipalities	- 2021 Tax framework law	80	8
New DLI 11: Enhancing the value of state-owned property	- PP prg 119 - DDE strategic plan	-	43
Results Area #3			
No changes on content to DLI #7	-	56	-
No changes on content to DLI #8	-	60	-
TOTAL		450	250

Results area 1:

28. DLI#1 “Strengthening the performance approach introduced by the LOF” will be expanded in scale and duration. Pending the validation of ongoing verifications on DLR#1.3 and DLR#1.4 (against which there have already been partial disbursements) under the parent operation, DLI#1 will be fully achieved and disbursed against by June 2024. These early achievements are mostly due to the acceptance of the performance mindset by the MEF, and high capacity in delivering on results. Thus, DLR#1.4 will be scaled up, bringing the number of ministerial departments having implemented their management charters



from 10 to 19 (DLR#1.5). A new DLR (#1.6) is introduced to bring to 16 the number of ministerial departments with clear guidelines for the implementation of management control. Management control implies having a clearly defined steering tool for program managers and those responsible for operational program budgets to ensure that budgetary resources deployed are in line with the performance objectives pursued. Streamlining performance equally requires a more efficient budgetary management, and the reduction of fiscal fragmentation. A new DLR (#1.7) is introduced for the rationalisation of CSTs through the (i) introduction of a rule capping tax revenues earmarked to CAS and (ii) the reduction of CAS earmarked tax revenues in proportion to general budget tax revenue. Last, with the aim of consolidating efforts to improve public financial management, the new DLR#1.8 will focus on increasing the number of SOEs¹² adopting a management instrument (such as general accounting rules, etc.) to modernize their financial management based on Financial Control Law 69.00¹³. This will improve oversight from the MEF and help it better gauge budgetary and financial performance.

Table 8: DLI#1 Strengthening the performance approach introduced by the LOF

DLI 1	Status	US\$ million Parent	US\$ million AF
DLI #1: Strengthening the performance approach introduced by the LOF	Scale-up	62	50
DLR 1.1: the MEF has issued a circular (or equivalent administrative/legal act) establishing the quality standards to be met by the Performance Projects.	Achieved	10	-
DLR 1.2: the MEF has issued a circular (or equivalent administrative/legal act) establishing a model of management charter.	Achieved	10	-
DLR 1.3: Eleven (11) ministries have implemented at least two quality standards laid out in the MEF's circular (or equivalent administrative/legal) mentioned under DLR. 1.1.	Under verification	22	-
DLR 1.4: Ten (10) ministries have adopted the management charter referred to in DLR#1.2.	Project Parent: Partially achieved / Under verification.	20	-
DLR 1.5: Additional nine (9) ministries have adopted the management charter referred to in DLR#1.2	AF: Scale-up of 1.4	-	5
DLR 1.6: Sixteen (16) ministries/institutions have elaborated a roadmap/guidelines for implementing management control.	New	-	10
DLR 1.7: Streamlining of the management of Special Appropriation Accounts (CAS) through: a. Introduction of a capping rule for earmarked tax revenues b. Reduction of earmarked tax revenue in proportion to general budget tax revenue, annually.	New	-	26
DLR 1.8: Nine (9) SOEs (<i>Etablissements et Entreprises Publiques</i>) have adopted at least two additional instruments to modernize their financial management as further described in the Program Operational Manual (POM).	New	-	9

¹² Under ENNAJAA, the focus will be on SOEs under the DEPP's purview, i.e., public establishments (*Etablissements publics*) and SOEs under the general State's budget and under control of the State.

¹³ This DLR is aligned with DLI#4 of the SOE Governance, Performance and Competitive Neutrality in Morocco PforR (P181522) which aims to ensure the implementation of financial control reform through (i) the finalization of the legislative framework for financial control in line with Morocco's EEP reform; (ii) the introduction of intelligent criteria for the systematic monitoring of SOE performance, and (iii) the implementation of digitization initiatives to streamline law enforcement. Operation P181522 focuses on improving the governance and competitive neutrality of SOEs, covering both commercial and non-commercial entities in application of the SOE framework law 50.21. Here the focus is on non-commercial entities subsidized by the State or benefitting from other earmarked public revenues, in particular on improving financial management of such entities as seen from a MEF perspective in order to capture their budgetary performance aspect in line with the LOF.



29. DLI#2 “Introducing a Climate sensitive Budget” is restructured and expanded to become “introducing sustainable and equitable budgeting”¹⁴. DLR#2.1 remains unchanged, focusing on the methodology, definition and scope of application of climate budgeting. DLR#2.2 is changed, to cater for a pilot of CBT across 3 ministerial departments, and DLR#2.3 on the publication of a climate sensitive budget, in compliance with the circular. This more gradual approach ensures that CBT will be tested and eventually corrected to ensure (i) it is adequate for generalisation across ministerial departments, and (ii) that it will be robust enough to inform the alignment of the Nationally Determined Contribution (NDC) with the medium term expenditure framework and the development of Green bonds – both of which are pursued and supported by the Morocco Climate PforR / Support to NDC ¹⁵ (P178763). In practice, the restructuring will mean that the publication of the first full climate budget will be postponed by one year. DLR#2.4 is based on findings from the Gender component of the 2024 PEFA suggesting the need to strengthen gender tagging over medium term budgeting, and its application in an incremental manner.

Table 9: DLI#2 Introducing sustainable and equitable budgeting

DLI 2	Status	US\$ million Parent	US\$ million AF
DLI #2: Introducing sustainable and equitable budgeting	Restructured	50	28
DLR 2.1: The MEF has issued a circular establishing the procedures, the calendar, definitions and scope of application of climate budgeting.	Restructured	5	-
DLR 2.2: Adoption of climate tagging in the budgets of 3 ministerial departments	New	20	-
DLR 2.3: Publication of a climate-sensitive budget in line with the circular in DLR#2.1.	Restructured	25	-
DLR 2.4: The MEF rolls out Gender budget tagging through: <ul style="list-style-type: none"> a. integration of gender tagging in three-year budget programming pursuant to the Chef du Gouvernement’s circular on drawing up three-year budget programming proposals, or any other circular or equivalent act on gender marking. b. application of the gender marking methodology by eight (8) ministerial departments. 	New	-	28

30. DLI#3 on “Enhancing the Decentralization agenda by strengthening regions’ public investment management” is scaled-up. At the time of appraisal of the parent Program, little progress had been made on the back of the 2015 Regionalization Act to empower the regions, which are due to become a key territorial layer of public action for development. Advances have been made over the past years notably through improvements in real-time monitoring and steering of financial and physical execution of Regions’ public investment projects. However, it is critical to further support a better use of public resources by linking regional budgets to results and improving their multiyear investment programming. Indeed, regions’ public investment execution is the highest priority – as Regions’ spending is mostly on public investment (est. 90 percent) with gaps in execution and monitoring. Against this backdrop, DLR#3.1 (restructured in July 2023) on the three-year budgeting of each public investment projects

¹⁴ While they are not the same processes, both gender and climate tagging have similar approaches. In addition, they are embedded as per the Paris Agreement where governments acknowledge that adaptation action should follow not only a country-driven, but also a gender-responsive approach (article 7.5).

¹⁵ Ref. Roundtable Discussion: *Climate Budget Tagging and Engaging with Investors*, World Bank September 13, 2022: “While CBT has been developed independently of countries’ funding strategies, it can also help identify eligible expenditures or performance indicators that back thematic bond issuance, facilitating tracking, monitoring and reporting”.



programmed in their Regional Development Plans (RDP) is currently under verification. DLR#3.2 concerning the operationalization of the RDP investment monitoring platform (including investments contracted between the State and the Region) is underway, and DLR#3.3 concerning the half-yearly publication by 3 Regions of information reports on investment execution should follow. However, considering delays in the implementation of a Grievance Redress Mechanism at the level of the region a restructuring of this DLR is proposed. Out of the \$30m allocated to this DLR, \$20m would be directly linked to relevant achievements by the Region of Fes-Meknes with the implementation of the GRM as a pre-requisite for disbursement.

31. A new DLR #3.4 will complement the RDP monitoring platform with a sustainability reporting dimension focusing on Sustainable Development Goals (SDGs) which should be backed by automatic feeds with data from the accounting systems used by the regions. This will ensure that the data captured by the platform is more up to date, complete, and reliable for decision making and monitoring. DLR #3.5 will promote better access to management data in an appropriate form for improved monitoring and oversight of regional spending. The adoption of the GID IFMIS system by Regional Project Execution Agencies (AREP) will greatly improve financial reporting of regions, as close to 40 percent of their budget is managed by AREPs. Bearing in mind that the GID system is managed by the TGR, and that the AREPs fall under the oversight purview of DEPP the ENNAJAA Program provides a critical coordination platform for these entities. Last, DLR#3.6 reinforces transparency and citizen outreach through the annual publication of a citizen's budget by at least 6 of the 14 largest municipalities, and by at least 6 Regions.

Table 10: DLI#3 Enhancing the Decentralization agenda by strengthening regions' public investment management

DLI 3	Status	US\$ million Parent	US\$ million AF
DLI#3 - Enhancing the Decentralization agenda by strengthening regions' public investment management	Scaled-up	50	36
DLR 3.1: Publication of an MI's circular requesting Regions to present three-year budgeting of each public investment projects programmed in their Regional Development Plans and State-Region Contract	Under verification	5	-
DLR 3.2: The platform monitoring Regional Development Plan with functionalities described in the POM including performance indicators, is operational in at least 3 Regions	Pending	15	-
DLR 3.3: Timely publication of two semestrial financial and physical public investment execution reports as per described per the POM: a. By the region of Fes Meknes b. By two additional Regions	Not yet due / Restructured	30	-
DLR 3.4: The platform monitoring Regional Development Plan is enhanced for improved reporting and sustainability monitoring: a. Accounting identification at project-level through GID is operational. b. A module for monitoring the Sustainable Development Objectives of projects is operational in the PDR monitoring platform.	New	-	14
DLR 3.5: Extension of GID and GIR-CT accounting and budget management information systems: a. Six Regional Project Execution Agencies (AREP) in the program area have adopted and are using the GID and GIR-CT systems. b. The DGCT and the Directorates General Services of the six (6) Regions and of the six (6) largest Municipalities have access to GID reporting information system data for consultation (with a maximum of a one-week lag).	New	-	12
DLR 3.6: Annual publication of a citizen's budget by six (6) largest Municipalities, and six (6) Regions on their websites.	New	-	10



32. DLI#4 “Improving the efficiency of public procurement through data production and analysis” is scaled up. The proposed new DLR#4.4 involves the complete digitalization of documents following contract awards via the public procurement portal (Moroccan eGP System). This initiative will mark a significant advance in public procurement management by creating a seamless, paperless process from start to finish, enhancing the efficiency of contract preparation, awarding, and execution. Presently, the lack of interoperability between different information systems, specifically between the eGP system and the Government Integrated Disbursement and Information (GID) system, hinders integrated analysis of public procurement activities. Although the eGP system manages early stages of procurement activities electronically, later stages after contract awards continue to be paper based, incurring extra costs and increasing the risk of document and data loss or corruption. The envisioned system is set to fully digitize the public procurement lifecycle, thereby abolishing the use of paper. This advancement will not only facilitate the generation, preservation, and dissemination of electronic documents but will also enhance data security and integrity via electronic signature protocols. Transitioning to a wholly digital framework is anticipated to improve both the efficiency and transparency of Morocco’s public procurement operations.

Table 11: DLI#4 Improving the efficiency of public procurement through data production and analysis

DLI 4	Status	US\$ million Parent	US\$ million AF
DLI #4: Improving the efficiency of public procurement through data production and analysis	Scaled-up	42	8
DLR 4.1: The TGR has upgraded the procurement database under terms of reference set forth in the POM to inform the future national procurement observatory	Achieved	20	-
DLR 4.2: The national procurement observatory is operational.	Under verification	16	-
DLR 4.3: Six statistical reports of the national procurement observatory have been published.	Not yet due	6	-
DLR 4.4: Digitalization of the post-contract award documents	New	-	8

33. Under RA#1, a new DLI#9 will support budget transparency. This new DLI will bring further emphasis to the transparency objective of the PDO. It is warranted by the opportunity and government willingness to improve Morocco’s rating under the Open Budget Survey (OBS). At a score of 48 in the 2021 OBS, Morocco is rated below the score of 61 deemed reflecting the “publishing [of] enough material to support informed public debate on the budget” and ranks 2nd behind the best regional performer (Jordan with a score of 61) despite progress in the past 10 years (its score was 38 in 2012). Paradoxically, disclosed budget information in Morocco is deemed far more comprehensive than in most other MENA countries across a range of budget documents. The DLI consists of three DLRs: one (DLR#9.1) on the publication of a Citizen's Budget for the mid-year budget execution phase; a second (DLR#9.2) on the launch and functioning of an open budget platform providing the public with online access to budget information; a third (DLR No. 9.3) on the adoption and implementation of an action plan to enhance budget transparency. The implementation of an action plan on budget transparency supports the improvement of the OBS score and integrates other actions that take into account Moroccan specificities. The process of defining the action plan will bring together all entities involved in budget transparency at the central level (DB, Directorate of Treasury and Exterior Financing (DTFE), Directorate of Studies and Financial Forecasting (DEPF), ADII, DGI, TGR, DEPP), which will foster greater cooperation and enable the distribution and definition of roles and responsibilities in this regard.



Table 12: DLI#9 Improving budget transparency

DLI 9	Status	US\$ million AF
ILD #9: Improving budget transparency	New	37
DLR 9.1: Publication of a Citizen's Budget for the mid-year budget implementation phase	New	3
DLR 9.2: The Open Budget Platform is functional	New	10
DLR 9.3: (a) Adoption and (b) implementation of an action plan up to 60% to improve budget transparency	New	24

34. A new DLI#10 on improving Public Investment Management is introduced. The 2024 PEFA evaluation underscores the need for enhancing public investment management. The Budget Directorate, in collaboration with the OECD, is evaluating and enhancing Morocco's PIM system. This encompasses creating a comprehensive PIM guide encompassing all facets of the investment cycle, gradually implemented by various bodies including ministerial departments, State-Owned-Enterprises (SOEs), and parastatals. The DLI will strengthen PIM through three DLRs within the DLI. DLR 10.1 focuses on implementing regulations for public investments in the LOF. DLR 10.2 involves aligning the Istithmar platform with programming module for triennial budget programming and the draft budget law (PBT and PLF). DLR 10.3 aims to improve the linkage between project planning and execution, establishing a connection between investment projects planned through the budget law and facilitated by Istithmar through "e-budget 2," and their subsequent budget execution in GID. A pilot test will be implemented in a first phase to three ministerial departments/ public entities, and second, expansion to departments overseeing significant investment projects. As the PIM reform rolls out and investment projects improve their reporting, the involvement of the DEPP as a new implementing agency of the ENNAJAA program, will become increasingly important, in order to capture public investments led by entities under the DEPP's purview, which accounts for a significant part of public investments.

Table 13: DLI#10 Improvement of the planning, monitoring and transparency of public investments

DLI 10	Status	US\$ million AF
DLI #10: Improvement of the planning, monitoring and transparency of public investments	New	25
DLR 10.1: Introduction of a rule for prioritizing public investments in the draft amendment of the Organic Law of Finance submitted to the SGG.	New	8
DLR 10.2: The Istithmar Platform is interoperable with budget programming modules of the Triennial Budget Program (PBT)	New	5
DLR 10.3: A link is established between the investment projects programmed by the Budget Law and supported by Istithmar, and the execution of their budget appropriations in GID: <ul style="list-style-type: none"> a. Piloting for 3 pilot ministerial departments/entities. b. Extension to (10) ministerial departments/entities with major investment projects as defined in the verification protocol. 	New	12

Results area 2:

35. DLI#5 is scaled-up and slightly amended to cater for a greater scope in terms of revenue administration, to “Improve tax compliance and revenue collection performance” (from “Improving tax compliance and performance of the tax administration”). This change reflects a focus on revenue administration beyond tax administration and DGI. The new DLR No. 5.5 targets to increase the percentage of revenue collection from SOEs covered by the State budget. It specifically focuses on implementing the latest amendment to the Recovery Code to facilitate the collection of taxes and levies, a task that presents challenges, and targets an annual increase rate of revenue collection of 10 percent over the program duration, for a population of 20 public establishments.



Table 14: DLI#5 Improving tax compliance and revenue collection performance

DLI 5	Status	US\$ million Parent	US\$ million AF
DLI#5: Improving tax compliance and revenue collection performance	Scaled-up	50	15
DLR#5.1: The MEF has adopted a multi-year action plan to improve tax compliance	Achieved	10	-
DLR#5.2: A national tax compliance management and risk analysis unit in the MEF is created and operational	Achieved	10	-
DLR#5.3: A tax compliance risk management committee is operational.	Achieved	10	-
DLR#5.4: Based on the actions proposed by the national tax compliance management and risk analysis unit by March 31, 2024, 60% of the actions proposed have been subject to decision for action.	Under verification	20	-
DLR#5.5: The collection rate of non-commercial establishment's (<i>établissement et entreprise publique</i>) revenue increased by 10 percent for at least 20 establishments (cumulative).	New	-	15

36. DLI#6 on “Increasing resources of municipalities” is scaled-up. DLI#6 set the basis for clearer attributions with respect to management of the local tax system, clarifying the involvement of the General Directorate Tax (DGI), the TGR and the General Directorate of Local Governments (DGCT) with respect to local taxes and enhancing coordination among them. Such attributions are critical for the roll-out of Law 07-20 on local taxation. As such, DLRs #6.1 and #6.4 focused on the operationalization of Law 07-20 on local taxation, which specializes the TGR in the management of property tax and housing tax, and DGI in the management of the local business tax. DLR#6.2 concerned the Local Revenue Information System (GIR-CT) tax and license fees management functionalities, while DLR#6.3 the application of remote declaration and payment for all communal taxes. Law 07-20 is however a milestone on the road to in-depth reform of local taxation. Such a reform is due to be completed no later than 5 years after the promulgation of framework law 69-165 (July 21, 2021) on tax reform, in line with the orientations of the National Tax Conference (*Assises nationales de la fiscalité*) held in 2019. The new DLR#6.5 aims at accelerating the reform through a comprehensive draft reform of local taxation and licenses in accordance with framework law 69-19 on tax reform.

Table 15: DLI#6 Increasing municipalities revenue

DLI 6	Status	US\$ million Parent	US\$ million AF
DLI#6 – Increasing municipalities revenue	Scaled-up	80	8
DLR 6.1: The Borrower’s has published an arrêté implementing article 6 of Law 07-20 on local taxation management	Achieved	6	-
DLR 6.2: Interfacing functions of the GIR-CT with local systems is implemented in at least 100 large Municipalities enabling these Municipalities to manage the entire local taxation chain of operations.	Not yet due	40	-
DLR 6.3: The electronic declaration and payments system for municipal taxes is operational.	Not yet due	10	-
DLR 6.4: The new governance framework mandated by article 6 of Law No. 07-20 is operational in 400 Municipalities.	Not yet due	24	-
DLR 6.5: Pursuant to framework law 69-19 on tax reform, a reform of local taxation and fees is submitted to the General Secretariat of the Government	New	-	8

37. A new DLI#11 is introduced: “Enhancing the value of state-owned property”. Effective management of state private assets is important for economic development, service delivery as well as resource optimization. These assets, comprising land, buildings, and real estate, must be managed



efficiently to maximize their value, i.e., translating into additional revenue, job creation, more private investment or ensuring it backs-up critical state services. The MEF’s State Domains Directorate (DDE) has identified in its Strategy 2022-2026, three critical objectives: (i) improving active asset management, (ii) collecting and digitizing geographic data and (iii) improving State revenues. DLR#11.1 will support the collection and digitization of geographic data via the GIS platform to better capture the base of State Private Domains. DLR#11.2 will improve land matriculation in the program area. Most importantly, critical measures in addition to the above will lead to an increase in revenues generated by the State’s assets over the medium-term period (DLR#11.3), and include framing DDE’s engagement through (i) the submission of a draft law on the State Private Domain to the SGG and its related implementation decrees, as well as the (ii) design and implementation of a risk mapping for the revenue circuit managed at DDE level – providing greater assurances for (iii) increased revenue collection.

Table 16: DLI#11 Enhancing the value of state-owned property

DLI 11	Status	US\$ million AF
DLI#11: Enhancing the value of state-owned property	New	43
DLR 11.1: The DDE has collected and digitized graphic data via the GIS platform in the program area.	New	10
DLR 11.2: The DDE has achieved annually at least 90% of defined targets in terms of land area subject to the registration procedure (<i>procédure d'immatriculation</i>) in the Program Area annually, during three (3) Cys	New	9
DLR 11.3: The DDE improved revenue collection through: <ul style="list-style-type: none"> a. The MEF has submitted (a) the draft law on the State Private Domain to the SGG and (b) the related draft implementing decrees for submission to the SGG. b. The DDE has drawn up and implemented a risk mapping for the revenue circuit managed at DDE level, together with an action plan for implementing related measures. c. The annual increase in revenues generated by the State's assets averages at least 7% in relation to the target defined in the Finance Law (excluding innovative financing ¹⁶) within the program area for a period of two years. 	New	24

Result area 3:

38. DLI#8 has undergone editorial changes without changing its scope, in order to better specify the expected results. More specifically, it has been changed from "Improving the proactive disclosure of open government data" to "Improve proactive communication of open public data". Specific changes to related DLRs are presented below. A similar change has under been made to DLR#7.8.

Table 17: Changes to DLRs under results area 3

	Parent Program	Restructuring
DLR 8.1	List of potential interventions to be implemented for open data is established by the Open Data Steering Committee in consultation with non-government stakeholders.	List of priority actions to be implemented for open data is established by the Open Data Steering Committee in consultation with non-government stakeholders.
DLR	(a) The COPIL’s membership is extended to include actors	(a) The COPIL’s membership is extended to

¹⁶ Excluding “innovative financing” which include general budget/land reallocation fund/agrarian reform fund receipts as defined under the 2024 Performance Budget Indicator of the MEF. Innovating financing schemes are essentially asset monetization processes. Introduced by the 2019 Finance Law, they are centered on active management of the State's real estate assets and consist in selling functional buildings to institutional investors (CDG, pension fund) while preserving their public service use through long-term leases. Revenues are accounted for as non-tax incomes. Rents are paid once property titles have been exchanged creating a future liability. The buying entity uses the assets to raise money in the markets through an investment vehicle. To this end, real estate transactions involving 98 properties in the State's private domain were concluded in 2022 with real estate investment trusts (OPCI) managed by AJARINVEST, a CDG subsidiary raising an additional DH25,068,766,350.00 in financing (DDE Annual Report 2023).



8.2	identified in the ODRA; and (b) the COPIL has: (i) defined the norms and standards for the processing and publication of data and metadata by the public administration on the open data platform; and (ii) adopted a monitoring and evaluation plan for the open data initiative.	include actors identified in the ODRA; and (b) the COPIL has: i) defined in guides or manuals the norms and standards for the processing and publication of data and metadata by the public administration and institutions on the open data platform; and (ii) adopted a monitoring and evaluation plan for the open data initiative.
DLR 8.4	The national open data portal is operational and include an interactive module to facilitate user participation in quality control and rapid feedback.	The national open data portal is operational and include an interactive module to facilitate user participation in quality control and rapid feedback.
DLR 8.5	A data inventory (which includes a referencing of the data sets available in the Borrower's selected ministries and public entities) has been developed, and priority data sets for processing and publication have been identified.	A data inventory (which includes a referencing of the data sets available in the Borrower's selected ministries and public entities) has been developed, and priority data sets for processing and publication have been identified.
DLR 8.6	At least one (1) annual hackathon-type event to promote public sector data use has been organized by the ADD.	At least one (1) annual hackathon-type event to promote public open data use has been organized by the ADD.
DLR 8.7	245 quality, updated, saved priority datasets published free of charge with essential metadata in an open and reusable format on the platform data-gov-ma (or linked to a sectoral data platform, from a baseline of 145 datasets.	245 quality, updated, priority datasets published free of charge with essential metadata in an open and reusable format on the national platform data.gov.ma (or linked to a sectoral data platform), from a baseline of 145 datasets.
DLR 7.8	A public administration users satisfaction survey of the platform regarding the national interoperability platform has been completed by the ADD.	DLR#7.8: A public administration and institutions users' satisfaction survey of the platform regarding the national interoperability platform has been completed by the ADD.

E. Other changes

39. Changes to the Program action plan (PAP) are introduced to the parent operation and AF as follows:

Table 18: Changes to the PAP

Action	Change	Link to DLI
Report on environmental and social standards status of pipeline investment projects of the Fes-Meknes region	Frequency changed from semi-annual to annual, with technical assistance	No
Appointment of environmental and social focal points among relevant stakeholders	Addition of DDE and DEPP	No
Adopting a training curricula and 3-y training action plan on Performance Projects, Regional Budgeting, Gender, Climate budgeting, Procurement.	Adopting a training curricula and 3-y training action plan on Climate budgeting	DL#1 / DLI#2
Adopting Procurement reforms Action Plan based on MAPS.	Marked for deletion	DLI#4
Monitor through periodic reports, the effective implementation of the newly approved strategy "2025 ADD NOG."	Marked for deletion given that the new Ministry's national digital strategy is replacing the ADD's NOG.	-
Validation of the Open Data Readiness Assessment Report and publication of its synthesis by the ADD.	Marked for deletion	-
Adopting a communication plan on risk mapping within the DDE	New	DLI#11
Adapting DDE's procedure manual on revenues with the risk mapping	New	DLI#11
E&S management system strengthening (E&S guide update, E&S staff strengthening, awareness raising and consultations);	Update of current PAP	-



Strengthening the implementation and follow-up of the environmental and social management system (apply procedures and mechanisms to the new activities, capacity building and consultations)	Extension to new entities to the Program.	-
Roll out of the GRM specifically for the Fes Meknes component	New (more targetted than previous actions on GRM)	DLI#3
Improve coordination with ministerial departments/institutions a in relation to management and monitoring of allocations achieved on the Fund (FRD) and (Periodic assessments to evaluate the implementation of the provisions of the Prime Minister's Circular 2/2021 ¹⁷)	New	DLI#11
Strengthen internal audit missions within DDE: (i) develop a risk mapping to support the internal audit program; (ii) schedule an internal audit mission covering the acquisition of administrative buildings	New	DLI#11
Updating the Environmental and Social Technical Manual and setting up an E&S reporting system	New	

40. The E&S arrangements for the AF will be slightly adjusted to (i) exclude the ADD and MATRA and (ii) include the newly added implementing agencies: *Direction des Domaines de l'Etat* (DDE); *Direction des Etablissements Publics et de la Privatization* (DEPP) et *l'Administration des Douanes et des impots indirect* (ADII). New focal points from DDE, DEPP and ADII will be trained and included in the E&S monitoring and reporting mechanism. The MEF E&S focal point will continue to report on the program E&S progress and performance in close collaboration with the other implementing agencies.

IV. APPRAISAL SUMMARY

A. Technical

41. **The results framework of the parent Program remains adequate under AF and restructuring and is revised to reflect new and revised DLIs.** Revisions to the result framework (i) take stock of the achievement of targeted result to date by extending and deepening initial targets and broadening their scope and (ii) aim to support the implementation of additional PFM reforms. First, revisions to the DLI matrix extend, deepen and broaden the scope of the LOF which underpins the government program of PFM reforms by aiming at promoting budget comprehensiveness (through the capping of fiscal resources earmarked to satellite funds) and fiscal transparency (towards the increase of Morocco's rating under the Open Budget Survey and relevant PEFA indicators). Revisions also aim at extending and deepening results achieved on domestic revenue mobilization through further reform to local taxation and by broadening its reach to revenue generation by the private domain of the state as well as revenue collection by non-commercial public establishments.

42. **The DEPP's participation to the ENNAJAA Program is key to improve public spending efficiency, beyond the scope of its specific DLRs (DLR#1.7 and DLR#5.5).** The DEPP will incentivize SOEs and public establishments – especially SOEs under the General budget of the State drawing from the State – to adopt the tools to modernize their management. This will give guarantees to the State on their efficient administration and will reduce the impact on the State general budget. The ENNAJAA

¹⁷ Chief of Government's Circular No. 2/2021 of February 12, 2021, regarding acquisitions and allocations made on the State's private domain (DDE).



Program will target subsidized public establishments, or benefiting from allocated resources, while the SOE PforR operation (P181522)¹⁸ will focus on reforming SOEs public portfolio in general in the light of framework law No. 50-21 published in 2021 focusing on their governance, performance and competitive neutrality. The DEPP also plays an important role in public investment management and decentralization, as SOEs are managing a significant part of public investments, including at the regional level through the Regional Project Execution Agencies (AREP), under the leadership of their respective region but under DEPP's oversight. Therefore, the DEPP's role is central to help the budget department and the DGCT to improve public investment and accelerate decentralization.

43. The implementation arrangement of the parent Program has proved effective and remains unchanged under AF and restructuring. With satisfactory disbursement levels, the achievement of key intermediate results and PDO-level indicators ahead of time, as well as a positive rating of fiduciary and the Program implementation progress is rated satisfactory. The institutional set up has proved adequate and effective: the PIU is fully capacitated, has proved anchored at the right place in the Ministry of Economy and Finance (under the oversight of the head of the Directorate general for Administrative Affairs - DAAG) and has confirmed its convening power when engaging successfully with implementing agencies to nudge targeted results. The verification process and M&E framework of the parent Program have also proved adequate and effective. Technical assessment confirms though the need for further technical assistance to support implementing agencies through a programmatic approach. Challenges, however, remain at the level of E&S engagement under the program-action plan as discussed in the relevant section below.

44. The economic justification of the parent Program remains relevant. AF and restructuring will enhance the Program impact both on expenditure effectiveness and revenue mobilization. It will contribute further to budget comprehensiveness, and fiscal sustainability.

B. Fiduciary

45. The original Integrated Evaluation of the Fiduciary System (IFSA) for the PforR operation of the current parent program has been updated for the purposes of this proposed additional funding. The updated IFSA also includes the fiduciary evaluations of the DDE, added to the program expenditure framework (PEF), alongside the DEPP featuring new DLIs but not included in the PEF. The findings of the updated IFSA provide reasonable assurance that program funds will be used for the intended purpose of the proposed additional funding.

46. The project procurement performance is assessed to be at a satisfactory level at this stage of project implementation. Indeed, the recent procurement reporting prepared by the PIU and related to 2023 shows satisfactory procurement KPIs, with no complaints raised during the project implementation. Moreover, the implementation of the project action plan is well advanced while almost all the actions have been realized. Indeed, the PIU prepared a complaint mechanism skeleton and shared it with the implementing agencies to consider it in handling the complaints that they will receive during the project implementation. Also, the action related to developing and operationalizing a mechanism requiring the procuring officers to check the eligibility of firms and individuals from the Bank's list of debarred and temporarily suspended has been realized by the PIU through the preparation of an instruction developing this requirement and the manner of how to proceed. The latter has been shared with the IAs and they have adopted it. The outcome of this action has been verified by the

¹⁸ Governance, performance and competitive neutrality of SOEs in Morocco - (P181522)



auditor and no blacklisted company was found among the selected sample of contracts launched by the different implementing agencies. Finally, the action related to capacity building for some implementing agencies in relation to the use of the new procurement decree is ongoing as well. Considering the above, the procurement performance is assessed as satisfactory and provides solid argument to continue implementing the project through additional financing.

47. The overall expenditures of the parent PforR up to 2024 are aligned with the expenditure framework. There have been no variances in the actual ongoing and investment expenditures. These are: (i) for RA#1 and RA#2, the budget allocations from the MEF aimed at driving budget reforms focused on results and improving the public revenue management; and projects within the State-Region Program Contract for Fez Meknes that support the region's economic development and address social and territorial inequalities; and (ii) for RA#3, the funds from the MTNRA and ADD, which are instrumental in advancing interoperability and open data access, crucial for the digital progression of GoM and the enhancement of citizen-focused services.

48. As under the parent operation, the implementation agencies shall execute the activities in accordance with the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing. The implementation agencies will (i) share information with the World Bank regarding all allegations of fraud and corruption in connection with the Program, investigate all credible allegations received, report to the World Bank on actions taken, and cooperate in any inquiry that may be conducted by the World Bank into allegations or other indications of fraud and corruption in connection with the Program; and (ii) monitor and abide by the World Bank's list of debarred/suspended firms. The modalities regarding the flow of funds remain unchanged compared to the parent operation.

49. Fiduciary risk remains rated as “Substantial”.

50. The AF will benefit from the lessons learned from the fiduciary performance of the parent PforR. The fiduciary (financial management and procurement) performance of the parent Program is rated as satisfactory and the fiduciary risk as substantial, with a disbursement rate of 41 percent, including the advance.

51. Mitigating measures put in place for the parent PforR will continue to be used under the AF. These consist of enhancing fiduciary coordination through the DAAG, the lead coordinating entity, and improving the digital oversight of fiduciary activities and the preparation and timely submission of the necessary reports. To mitigate the risks related to DDE, the AF will support the efforts through DLI#11 to improve the performance of its information system and management of the state's private domain. Besides, a fiduciary action within the Program Action Plan (PAP) will enhance the internal audit missions within the DDE, developing a risk mapping to support the internal audit program and schedule periodic internal audit missions covering the acquisition of administrative buildings.

52. The project procurement risk is at a moderate level since the risks identified at the level of the parent project during the preparation stage were mitigated through the implementation of the actions mentioned in the PAP. Indeed, the risk related to awarding a contract to a blacklisted company has been mitigated through the preparation by the PIU of an instruction that was disseminated to all the IAs clarifying how to check the blacklist before awarding contracts and raising their awareness on that topic. In the other hand, the PIU has also prepared a complaint handling mechanism skeleton that explains and clarifies how to handle complaints cases and has shared it with the IAs. Finally, the lack of capacity identified at the level of some IAs in terms of using national procurement procedures has been mitigated by preparing a capacity building program to be delivered to some IAs.



53. Procurement exclusion. As under the parent program, it is not expected to procure any large contracts valued at or above the Operational Procurement Review Committee (OPRC) thresholds (US\$115 million for works, US\$75 million for goods and non-consulting services, and US\$30 million for consultant services), which are based on a “Moderate” procurement risk rating. This conclusion is drawn based on an analysis of procurement data of the IAs and the procurement performance of the parent project. The latter shall report to the World Bank if large contracts appear throughout project implementation. In addition, the World Bank team will analyze and monitor the Program performance of fiduciary systems and contract management reports to identify any large-value contracts that may appear throughout the Program implementation.

C. Environment and Social

54. An Addendum to the Environmental and Social Systems Assessment (ESSA) of the parent Program has been prepared by the Bank team. This has been done in close cooperation with Program counterparts and a [draft](#) has been disclosed before Appraisal. It is important to clarify that since then, there have been no changes in the current applicable regulation and systems, thus, the Addendum does not constitute a new ESSA and should be considered together with the ESSA of the parent Program. The ESSA of the parent program assessed national and municipal systems with respect to institutional capacity and performance, policy and regulatory bases, consultation mechanisms and grievance redress mechanisms (GRM) to manage and mitigate impacts. The Addendum to the ESSA is based on a review of the Program implementation performance, the existing regulatory and legal framework related to environmental and social matters, and consultations with the Program stakeholders. The new activities to be undertaken under the AF were analyzed to identify environmental and social effects. The intent of the Addendum is to ensure that environmental and social risks continue to be avoided, reduced, and mitigated adequately.

55. The management of E&S risks and impacts of the parent Program is rated Moderately Satisfactory (MS). The ESSA Program Action Plan (PAP) of the parent project has been partially implemented. Focal points at the level of the participating agencies were appointed, the environmental and social management guide was prepared but not disseminated, the training of stakeholders is planned for May 2024, the GRM is not yet in place for the Fes Meknes Region component (to be ready by July 2024) and the E&S monitoring and reporting is lacking. The original Technical Environmental and Social Guide will be updated to reflect AF’s new activities.

56. The environmental and social (E&S) risks and negative impacts associated with the AF are considered Substantial. The AF introduces three new DLIs (#9, #10 and #11), which have a low to moderate E&S risks. There are no new activities with physical works. The Program impacts will continue to be reversible and mitigated with the proposed mitigation measures in the updated Technical Environmental and Social Guide. They will be clearly identified, prevented and/or minimized through effective mitigation measures, which will be subject to an environmental and social monitoring and follow-up system that will allow for the identification and management of potential risks.

57. All activities requiring private land acquisition through expropriation will be excluded from the Program. To prevent these risks, Focal Points will be tasked with screening out any such activities through the tools included in the Technical E&S guide.

58. E&S actions of the PAP. The ESSA Program Action Plan (PAP) of the parent project has been partially implemented. For the AF, the PAP will be updated and new actions will be included, under the following type of measures : i) E&S management system strengthening (E&S guide and manual update, E&S staff strengthening, awareness raising and consultations); ii) Strengthening the implementation and



follow-up of the environmental and social management system (apply procedures and mechanisms to the new activities, capacity building and consultations, appointment of new E&S focal points among relevant stakeholders) (iii) roll out of the GRM especially for the Fes Meknes component.)

D. Implementation arrangements

59. The Program's implementation will rely on existing implementation entities with the addition of two new ones. Additionally, the DDE and the DEPP - both under the MEF - have been incorporated into the Program's institutional set up. The DEPF and DTFE also become stakeholders through their involvement in RLD 9.3 via the budget transparency action plan. DEPP is excluded from the Program Expenditure Framework (PEF) and falls under the budget authority of DAAG, who is already part of the PEF. DEPP's operations heavily rely on its personnel, whose salaries cannot be redirected to fund program expenditures, as per government directives. The DEPP plays a pivotal role in overseeing State financial control over SOEs. DEPP's duties encompass monitoring the public portfolio, engaging in rationalization and restructuring of SOEs, conducting external audits, standardizing accounting practices, and facilitating the transition of public enterprises to the private sector. The DEPP also plays an important role in public investment management and decentralization – both are key areas of the ENNAJAA Program – as SOEs are managing a significant part of public investments, including at the regional level. The DDE, as outlined in article 13 of decree no. 2.07.995 of October 23, 2008, holds responsibilities such as managing the State's private domain, supporting productive investment policies and major state programs, structuring productive and controlled urbanization, developing public facilities and social services, and providing impetus for the realization of Social Housing and the relocation of slums.

E. Corporate requirements

60. Citizen engagement: The ENNAJAA AF will deepen the citizen engagement component of the parent project by introducing a DLI incentivizing improved budget transparency. This will be achieved through the launch of an Open budget platform which will follow the same model as the WB-developed BOOST tool to publish the budget documentation in a usable format. Citizens will be able to monitor and analyze the macro-fiscal policy and track sectoral expenditures. The platform could also potentially incorporate a feedback mechanism where citizens can ask questions and request additional information. It will also be achieved through the implementation by the Budget directorate of an action plan aiming to improve Morocco's rating under the Open Budget Survey. This will help Morocco improve its overall scores in the Open Budget Survey by the end of the Program beyond the benchmark for sufficient budget information to inform policy dialogue and the world average of public participation to budgeting (from a very low baseline): those scores are reflected in a new PDO-level indicator on budget transparency. The ENNAJAA AF will also incentivize the publication of exhaustive citizens budgets in the six largest municipalities of the Kingdom.

61. Climate: Building on the ENNAJAA parent project, the AF will support activities universally aligned with the Paris Agreement to reduce Morocco's high vulnerability to climate change¹⁹. Morocco has however developed a strong and comprehensive legal arsenal²⁰ along with national strategies to face this challenge²¹ in keeping with its commitments under the Paris Agreement. The GoM is also committed to adapt its PFM system to climate change through a series of reform aimed at strengthening

¹⁹ The Climate and Disaster Risk Screening has been performed for this operation.

²⁰ The 2011 Constitution, the National Charter on the Environment and Sustainable Development, etc.

²¹ The 2050 long-term low-emission development strategy, the National Sustainable Development Strategy), National Climate Plan for 2030.



green procurement, green budgeting and ensuring public financing to achieve Morocco's NDCs. These reforms have been stressed in the 2022 Country Climate and Development Report (CCDR), under the Institutions and Governance cross-cutting pillar. With respect to climate change mitigation, the operation does not present a risk of having a negative impact on the country's low-GHG emissions development pathways. Activities supported by this public administration operation are universally aligned with the goals of the Paris agreement. The ENNAJAA PforR, particularly in its AF component, focus on areas of PFM and public institutions reforms. With respect to climate change adaptation, the climate-related risks that could impact its activities are low. The Program activities should not be impacted by climate-related hazards. The climate-risk assessment of the operation is detailed in annex.

62. The Climate-Co Benefits identified in the parent project remain valid and are enhanced by the AF. The ENNAJAA AF will continue the efforts initiated by the parent project on Climate-Budget Tagging (DLI#2). It will build on a strong technical assistance program to help MEF's Climate Unit in getting the appropriate expertise to adapt its PFM system to climate change.²² Besides, the AF will support and additional DLRs that will improve monitoring of SDGs-related investment projects at the local level. The results contributing to climate change adaptation and mitigation of the ENNAJAA Program are summarized in annex.

63. Gender: Since the early 2000s, the Kingdom of Morocco has implemented a series of constitutional, legal and political reforms in favor of gender equality, in line with its international commitments, notably the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (ratified in 1993). These reforms have involved the Moroccan legal framework (Labor Code in 2003, Family Code in 2004, Nationality Code in 2007, etc.), the launch of national and sectoral strategies, notably PGE1 and 2, and the NDM promoting gender equality. This momentum was reinforced by the adoption of the Moroccan Constitution (2011), which represents a historic turning point by recognizing and anchoring the principle of equality between women and men. This constitutional commitment has been legally translated into the LOF, which cements gender equality throughout a budgetary process that is performance-oriented, transparent and gives Parliament a greater role in the budgetary debate and control of public finances. In addition to the provisions concerning Budgetary Performance Programs, the LOF (article 48) also institutionalizes the "Gender Budget Report" (RBG), which must accompany the finance bill tabled in Parliament. The report on the gender-responsive results-based budget, gives an account of the efforts made by ministerial departments in the area of equality, and which has been produced every year since 2005 on the basis of voluntary participation by ministerial departments.

64. However, gender responsive budgeting still needs significant capacity building to be fully implemented throughout the administration. The dearth of gender-disaggregated data constitutes an obstacle to the development of gender-targeted policy interventions and service delivery improvements. The ENNAJAA parent project includes activities aimed at promoting gender equality, mainly by (i) promoting access to gender-disaggregated data and statistics (RA#2 and RA#3) and (ii) monitoring trainings in gender-budgeting provided to civil servants (RA#1). The ENNAJAA AF scales up activities under the gender tagged parent project, focusing on gender budgeting.

V. KEY RISKS

²² TF0B7861 and TF0C0501



65. The overall residual risk for the Program is rated as Moderate when factoring in implementation of mitigation measures. The AF builds on the successful implementation of the original Program as well as the high levels of technical capacity within the government which, with ownership, can be effectively mobilized to reorient key stakeholders toward achievement of PDO. Also, the Task Team and the Country Management Unit (CMU) continue to maintain active dialogue with the Government for sound implementation of reforms supported by the Program.

66. The overall Environmental and Social risks are currently maintained as substantial. The new activities are, however, deemed manageable with existing capacities and an adaptive approach. The additional financing is not expected to cause significant environmental damage or irreversible impacts. The program will maintain its focus on regions like Fes-Meknes and reassess activities for a moderate risk rating. Two entities, ADD and MNTRA, will be excluded from the additional financing, while a new directorate under the MEF will support RA#1 (DDE). The AF will put mitigation measures in place to address specific risks. Based on the outcome of the addendum to the ESSA – seen as one package and not as a new ESSA – the task team identified additional mitigation measures to further reduce risks and ensure effective implementation of Program activities. Shortcomings in E&S reporting from the region will also be addressed through a hands-on approach to correct for capacity needs behind delays noted under the PAP. Regarding the implementation of the GRM, the Program involves ministries and public entities that are used to handling grievances through the existing national grievance system - *chikaya.ma* - which is operational for local governments and national administrations. In addition, MEF and Ministry of Interior (MI) benefit from the support of the World Bank in other Programs; these systems are supported and strengthened to include and cover the activities planned under this Program. However, the deployment of a specific GRM for the regional execution agency (AREP) of the Fes-Meknes region has suffered a 10-month delay as per the PAP. A framework for the GRM has been shared with the Bank and is being reviewed. Its effective deployment is planned for July 2024, and has become a condition to disbursement for DLR 3.3a. These measures are included in an updated Program Action Plan (PAP).

67. Fiduciary risks remain substantial as described above. Mitigation measures consist of enhancing fiduciary coordination through DAAG and investing in the digital oversight of fiduciary activities and the preparation and timely submission of the necessary reports.

VI. WORLD BANK GRIEVANCE REDRESS

68. Grievance Redress. Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance mechanism or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank Management has been



given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.



VII. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Program Action Plan	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Change in Program Scope	✓	
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Safeguard Policies Triggered		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Technical Method		✓
Change in Fiduciary		✓
Change in Environmental and Social Aspects		✓
Other Change(s)		✓

VIII. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-93170	Effective	31-Dec-2025	31-Dec-2025	31-Dec-2028	30-Jun-2029

Conditions

Type	Financing source	Description
Disbursement	IBRD/IDA	For DLR#3.3(a) under Category (3), until and unless the Borrower has furnished evidence satisfactory to the Bank that the grievance mechanism system at the level of the Region Fez-Meknes is operational in a manner acceptable to the Bank and as further described in the POM.



IX. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Morocco
Morocco Public Sector Performance (ENNAJAA) Program Additional Financing

Program Development Objective(s)

The Program Development Objective is to improve performance and transparency of government operations and service delivery

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
To improve performance and transparency of government operations and service delivery (Action: This Objective has been Revised)									
Share of performance indicators for which annual targets have been achieved (Percentage)		0.00	20.00	30.00	40.00	45.00	50.00	53.00	55.00
Action: This indicator has been Revised	Rationale: Increased ownership of performance projects by ministerial departments - notably through the application of management charters and quality standards (DLR #1.3 and #1.4) - underpins the rationale for higher ambitions.								
Share of gender-related indicators for which targets have been		0.00	20.00	30.00	40.00	45.00	50.00	53.00	55.00



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
achieved (Percentage)									
Action: This indicator has been Revised	Rationale: <i>Increased ownership of performance projects by ministerial departments - notably through the application of management charters and quality standards (DLR #1.3 and #1.4) - underpins the rationale for higher ambitions.</i>								
Increase in revenue from local taxes in the targeted municipalities (Percentage)		0.00	0.00	0.00	4.00	8.00	12.00	16.00	20.00
Action: This indicator has been Revised	Rationale: <i>Past trends suggest that this target needs to be revised upwards.</i>								
Share of fully digitized public services (Percentage)		23.00	25.00	35.00	50.00				75.00
Increase in targeted additional revenue collected by the DGI (Percentage)		0.00	0.00	5.00	10.00				15.00
Increased revenues from the mobilization of State assets (Percentage)	null 11	0.00							8.00
Action: This indicator is New	Rationale: <i>This indicator is also a DLI and will measure the increased capacity of central administration to manage revenue collection in line with results area no. 2.</i>								
Morocco's score in the open budget survey (Text)	null	48/100	55/100						61/100



Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
<i>Action: This indicator is New</i>	Rationale: <i>Efforts to improve transparency are capture in the Open Budget Partnership's composite score. This relates directly to the transparency elements of the PDO.</i>								

Intermediate Results Indicators by Results Areas

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
RA1: Improve the Efficiency of Public Expenditures										
The number of ministries using common priority indicators for their Support Programs in line with the standards outlined the circular Annual summary of Performance Projects published. (Number)		0.00	0.00	4.00	7.00	11.00	20.00	25.00	33.00	37.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Indicator recalibration based on ILD extension.</i>									
Annual Climate Sensitive Budget published (Number)	null 2.4	0.00	0.00	1.00	0.00					1.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Given the technical difficulties involved in generalizing climate budgeting, the process will now include pilots in the main ministerial departments. This reduction reflects what is feasible to ensure that climate budgeting is carried out with the necessary quality.</i>									



Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Annual Citizen's Budget published. (Yes/No)		No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Action: This indicator has been Revised	Rationale: Updated considering recurrence until the end of the AF.									
Number of semi-annual reports on Region's public investment execution published (Number)		0.00	2.00							6.00
Action Plan for introducing the Open Contracting Data Standards (OCDS) adopted. (Yes/No)		No	Yes	Yes	Yes	Yes				Yes
Open Contracting Data Standards piloted for the Invitation to Bids stage. (Text)		OCDS not applied	-	No OCDS feasibility study	-	OCDS pilot evaluation report published				OCDS pilot evaluation report published
Civil servants trained on Gender Budgeting and gender-specific indicators. (Number)		0.00	40.00	80.00	120.00					160.00
Decrease in the proportion of tax revenue allocated to CASs compared with tax revenue allocated to the General Budget. (Text)		0.00	-0.50	-1.00	-1.50					-2.00



Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Action: This indicator is New	Rationale: <i>This indicator will reflect the decline, over time, in tax revenues allocated to the CAS. This will reinforce budget unity, improve budget flexibility and performance.</i>									
RA2: Improving public revenue management										
Increased data-sharing between DGI and key partners (CNSS, Customs, NARSA, Exchange Office). (Number)		0.00	1.00	2.00	3.00					4.00
Taxpayer satisfaction survey completed (Yes/No)		No	Yes							Yes
RA3. Improving the foundations of digital transformation through interoperability and Open Data										
Number of use cases integrated with the national interoperability platform. (Number)		0.00	0.00	4.00	8.00	12.00				12.00
Share of user requests timely responded to through the interactivity module on the national Open Data portal (disaggregated by gender). (Percentage)		0.00	0.00	30.00	50.00					80.00
Increase in the number of priority datasets published in an open and reusable format on the national Open Data		145.00	145.00	145.00	188.00					245.00



Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
platform. (Number)										

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Share of performance indicators for which annual targets have been achieved	Performance indicators include indicators of efficiency, quality of service, and socio-economic indicators. This PDO indicator tracks the achievement of annual targets of performance indicators in the in the PPs of pilot ministries.	Annual	IGF, Budget Department, Annual Performance Reports	The IGF (evaluation unit) will certify based on information shared by the Budget Department, the proportion of performance indicators targets achieved.	IGF – evaluation unit
Share of gender-related indicators for which targets have been achieved	Performance indicators include indicators of efficiency, quality of service, and socio-economic indicators, including on gender aspects. This PDO indicator will track the achievement of annual targets of performance indicators in the PPs of pilot ministries.	Annual	IGF, Budget Department, Annual Performance Reports	The IGF (evaluation unit) will certify based on information shared by the Budget Department, the proportion of performance indicators targets achieved.	IGF – evaluation unit



Increase in revenue from local taxes in the targeted municipalities	Increase in operating resources of the municipalities compared to 2019. Operating resources are revenues from local taxes, and therefore excluding loans and sales of assets as well as transfer revenues (CAS VAT). Targeted municipalities are Casablanca, Fez, Tangier, Marrakech, Salé, Rabat, Meknes, Oujda, Kenitra and Agadir.	Annual, starting in 2024	TGR and DGI Statistics department data	The IGF verifies the percentage increase based on the TGR and DGI’s data.	IGF – evaluation unit
Share of fully digitized public services	Percentage of public services fully digitized and transactional meets the biennial target	Biannual	MEF’s Biennial E-readiness assessment of public services	The IGF verifies the level of digitization of public services based on the e-readiness assessment.	IGF – evaluation unit
Increase in targeted additional revenue collected by the DGI	Percentage of increase in additional revenue compared to 2020. Additional revenue is result of DGI tax compliance enforcement efforts, as opposed to “spontaneous” revenue mobilization.	Biannual	The DGI Statistics department data	The IGF verifies the percentage increase based on the DGI’s data.	IGF – evaluation unit
Increased revenues from the mobilization of State assets	The indicator should measure the average	Once, end 2027.	TGR		PIU



	increase of revenues, excluding innovative financing, for the 2025-2027 period against the				
Morocco's score in the open budget survey	every two years with the publication of the Open Budget index	Every two years.	Open Budget Partnership	OB report.	PIU and Budget Directorate

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
The number of ministries using common priority indicators for their Support Programs in line with the standards outlined the circular Annual summary of Performance Projects published.	Targeted ministries are applying the decree on PP indicators with regards to common priority indicators for their Support Programs. Ministerial departments have started implementing the circular. The Budget Department has confirmed (December 2022) that at least 4 ministerial departments have upgraded their PP indicators based on the circular.	Annual	Budget Department	The IGF (evaluation unit) verifies the alignment of the indicators of the selected ministries with the standards	IGF – evaluation unit of the Program
Annual Climate Sensitive Budget published	Planned for the 2028 Budget Law	Once	MEF	IGF	IGF



Annual Citizen's Budget published.	A simplified budget is elaborated to enable easy understanding of annual budget by citizens. The citizen budget is published on the Budget Department website with the annual budget law.	Annual	http://lof.finances.gov.ma/	The Citizen's Budget is accessible online.	IGF – evaluation unit of the Program
Number of semi-annual reports on Region's public investment execution published	Targeted regions applies the format set up in the related instruction for triennial investment programming and performance program budgets. Targeted regions will be the regions with Partnership Contract with the State.	Once	DGCT, regions	DGCT collects data from Regions	IGF – evaluation unit of the Program
Action Plan for introducing the Open Contracting Data Standards (OCDS) adopted.	The TGR adopts an action plan based on the feasibility study to apply OCDS standards.	Once	http://lof.finances.gov.ma/	The IGF (evaluation unit) verifies that the assessment report has been produced.	IGF – evaluation unit of the Program
Open Contracting Data Standards piloted for the Invitation to Bids stage.	The TGR pilots in a department the OCDS standards for bidding notices.	Once	TGR	The IGF (evaluation unit) verifies that the assessment report has been produced.	IGF – evaluation unit of the Program
Civil servants trained on Gender Budgeting and gender-specific indicators.	Civil servants involved in planning and programming process in their ministries have been trained in	Annual	http://lof.finances.gov.ma/ https://cebsg.finances.gov	The IGF (evaluation unit) verifies that the trainings have been delivered.	IGF – evaluation unit of the Program



	Gender Budgeting by 2025 by the Center of Excellency in Gender Budgeting.		ma/fr		
Decrease in the proportion of tax revenue allocated to CASs compared with tax revenue allocated to the General Budget.	Baseline of 2023 (ref. annex to finance law)	yearly	Finance law		MEF
Increased data-sharing between DGI and key partners (CNSS, Customs, NARSA, Exchange Office).	Tax department (DGI) increase data-sharing with key partners to improve consistency of data as well as contribute to service simplification. Targeted key partners are (i) CNSS with regards to professional tax and medical coverage; (ii) customs with regards to VAT reimbursement; (iii) NARSA with regards to vehicles licenses; (iv) Exchange office with regards to remittances.	Annual	DGI	Data-sharing between targeted databases is considered effective when data-sharing is reciprocal, regular, and used by at least one of the stakeholder.	IGF
Taxpayer satisfaction survey completed	DGI undertake, complete and publish a taxpayers satisfaction survey. The survey will assess the satisfaction of taxpayers with regards to ease of paying taxes, covering a wide diversity of taxpayers categories (informal sectors, individuals, small business, large businesses, etc.) and tax types.	Once	DGI	DGI report	MEF



<p>Number of use cases integrated with the national interoperability platform.</p>	<p>Use cases are defined as data exchange between public sector entities for the purposes of delivering a service.</p>	<p>Annual, starting from 2022 (baseline 0 in 2021)</p>	<p>ADD annual progress report</p>	<p>The IGF attests to the increase in the number of use cases integrated with the national interoperability platform, based on information shared by the ADD.</p>	<p>IGF – evaluation unit of the Program</p>
<p>Share of user requests timely responded to through the interactivity module on the national Open Data portal (disaggregated by gender).</p>	<p>80% of user feedback requests are addressed timely through the interactivity module located within the national Open Data portal. Timeliness will be described in the national Open Data portal procedures.</p>	<p>Quarterly</p>	<p>ADD quarterly progress report using data from national Open Data platform</p>	<p>The IGF attests to the percentage of feedback requests addressed based on information provided by the ADD.</p>	<p>IGF – evaluation unit of the Program</p>
<p>Increase in the number of priority datasets published in an open and reusable format on the national Open Data platform.</p>	<p>Increase in the number of safeguarded priority datasets published in an open and reusable format and under the original and irrevocable terms of the ODbL adopted by the GOM on the national Open Data platform.</p>	<p>Annual, starting from 2022</p>	<p>ADD annual progress report using data from the national Open Data platform</p>	<p>The IGF attests to the increase in the number of datasets published according to the defined standards based on information provided by the ADD.</p>	<p>IGF – evaluation unit of the Program</p>

Verification Protocol Table: Disbursement Linked Indicators



DLI 1				
Strengthening the performance approach introduced by the LOF				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	112,000,000.00	14.9
Period	Value		Allocated Amount (USD)	Formula
Baseline	Limited quality of performance-based programs			
2022	DLR 1.1 - The MEF has issued a circular (or equivalent administrative/legal act) setting out the quality standards to be met by Performance Projects ("PPs").		10,000,000.00	Yes/No
2023	RLD 1.2. MEF has issued a circular (or equivalent administrative/legal act) setting out a model management charter.		10,000,000.00	Yes/No
2024	RLD 1.3. Eleven (11) ministries have implemented at least two quality standards defined in the MEF circular (or equivalent administrative/legal document) mentioned in DLR 1.1.		22,000,000.00	US\$2.0m per ministry/department
2025	DLR 1.4. Ten (10) ministries/departments have adopted their management charter. (parent operation) DLR 1.5. Additional nine (9) ministries/departments have adopted their management charter. (scale-up)		25,000,000.00	DLR#1.4: US\$2,000,000 per ministry/department; DLR#1.5: US\$555,555 per ministry/department
2026	DLR 1.6. Sixteen (16) ministries/departments have established a roadmap/guideline for the implementation of management control.		10,000,000.00	US\$625,000 per ministry/department
2025-2027	DLR 1.7. Streamlining CAS management: a. Introduction of a rule capping revenues allocated to CAS, introduced by administrative/legal act. b. Reduction of CAS earmarked tax revenue in proportion to general budget tax revenue, annually.		26,000,000.00	a. US\$10,000,000 for (a) b. US\$16,000,000 for (b): US\$5,333,333 per year over three years as per POM.
2028	DLR 1.8 - Nine (9) non-commercial establishments		9,000,000.00	Yes/No



	(<i>établissements et entreprises publics</i>) having adopted at least two additional instruments to modernize their financial management as further described in the POM.		
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DLI 2				
Introducing sustainable and equitable budgeting				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	No	Text	78,000,000.00	10.4
Period	Value		Allocated Amount (USD)	Formula
Baseline	The climate is not visibly taken into account in the budgetary process. Gaps remain in gender budgeting.			
2022	--		0.00	---
2023	--		0.00	---
2024	--		0.00	---
2025	DLR 2.1: The MEF has issued a circular establishing the procedures, the calendar, definitions and scope of application of climate budgeting.		5,000,000.00	Yes/No
2026	DLR 2.2: Adoption of climate tagging in the budget of three (3) ministerial departments.		20,000,000.00	From a baseline of 0, per ministerial department with adopted climate tagging in its budget, US\$6,670,000.
2027	DLR 2.3: Publication of a climate-sensitive budget in compliance with the circular.		25,000,000.00	Yes/No, US\$25,000,000
2025-2028	DLR 2.4 The MEF rolls out Gender tagging: a. integration of gender tagging in three-year budget programming pursuant to the <i>Chef du Gouvernement</i> circular on drawing up		28,000,000.00	DLR 2.4: (a) Yes/No, US\$8,000,000 DLR 2.4: (b) From a baseline of 0, per ministerial department having applied the gender marking methodology,



	<p>three-year budget programming proposals, or any other circular or equivalent act on gender marking.</p> <p>b. application of the gender marking methodology by eight (8) ministerial departments.</p>		US\$2,500,000
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DLI 3				
Enhancing the Decentralization agenda by strengthening regions' public investment management				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	86,000,000.00	11.46
Period	Value		Allocated Amount (USD)	Formula
Baseline	No regional multiyear budget programming			
2022	DLR 3.1: Publication of an MI's circular requesting Regions to present a three-year budgeting of each public investment project programmed in their Regional Development Plans and State-Region Contract.		5,000,000.00	Yes/No
2023	DLR 3.2 - The PDR monitoring platform, with the functionalities described in the MOP, is operational in at least three Regions.		15,000,000.00	Yes/No
2024-2028	<p>DLR 3.3 - Timely publication of public investment performance reports with an adequate level of information as described in the MOP:</p> <p>a. By the Fès-Meknès region</p> <p>b. By two additional regions</p>		30,000,000.00	<p>a. US\$20,000,000 for Fès-Meknès</p> <p>b. US\$10,000,000 for the other two regions, at a rate of 5m each.</p>



2025	<p>DLR 3.4: The platform for monitoring the regional development plan (PDR) has been improved through enhanced reporting and better monitoring of sustainable development:</p> <ul style="list-style-type: none"> a. Project identification at GID level is operational. b. A module for monitoring the sustainable development objectives of projects is operational in the RDP monitoring platform. 	14,000,000.00	<p>DLR 3.4 (a) Yes/No. US\$10,000,000</p> <p>DLR 3.4 (b) Yes/No. US\$4,000,000</p>
2026	<p>DLR 3.5: Extension of the GID and GIR-CT accounting and budgeting information systems:</p> <ul style="list-style-type: none"> a. Six (6) Regional Project Execution Agencies (AREP) in the program area have adopted and are using the GID and GIR-CT information systems. b. The DGCT and the Directorates General Services of the six (6) Regions and of the six (6) largest Municipalities in the Program Area have access to GID reporting information systems data for consultation (with a maximum of one-week lag). 	12,000,000.00	<p>DLR 3.5: (a) Yes/No, from a baseline of 0, US\$1,000,000 per AREP</p> <p>DLR 3.5: (b) Yes/No, from a baseline of 0, US\$500,000 per municipality / Region</p>
2025-2028	DLR 3.6: Annual publication of a citizen's budget by six (6) largest Municipalities, and six (6) Regions on their websites.	10,000,000.00	Yes/no
2028	--	0.00	--
Rationale:			
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DLI 4				
Improving the efficiency of public procurement through data production and analysis				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	50,000,000.00	6.67
Period	Value		Allocated Amount (USD)	Formula
Baseline	Procurement performance data not produced and OCDS standards not implemented			
2022	DLR 4.1: The TGR has upgraded the procurement database under terms of reference set forth in the POM to inform the future national procurement observatory		20,000,000.00	yes/no
2023	DLR 4.2: The national procurement observatory is operational.		16,000,000.00	yes/no
2024	DLR 4.3: National procurement observatory published 6 statistical reports		6,000,000.00	yes/no
2025	--		0.00	--
2026	--		0.00	--
2026-2027	DLR 4.4: Digitalization of the post contract award documents		8,000,000.00	yes/no
2028			0.00	
Rationale:				
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DLI 5				
Improve tax compliance and revenue collection performance				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount



Outcome	Yes	Text	65,000,000.00	8.7
Period	Value		Allocated Amount (USD)	Formula
Baseline	Absence of a multi-year action plan and centralized risk management unit			
2022	DLR 5.1: MEF implements multi-year plan for tax compliance		10,000,000.00	yes/no
2023	DLR 5.2: MEF establishes and runs national tax non-compliance unit		10,000,000.00	yes/no
2024	DLR 5.3: A tax compliance risk management committee is operational.		10,000,000.00	yes/no
2025	DLR 5.4: By March 31, 2024, 60% of action plan proposed by UAGR's tax compliance proposals were actioned.		20,000,000.00	60%
2026	--		0.00	--
2024-2028	DLR 5.5: The debt recovery rate has increased. a. By 5 percent on average for a total of twenty (20) public establishments (<i>établissement et entreprise publiques</i>); b. By a cumulative 10 percent for each of the twenty (20) public establishments in DLR#5.5(a).		15,000,000.00	DLR#5.5(a): US\$7,500,00 DLR#5.5(b): US\$7,500,00 Per public establishment achieving 10% debt recovery date, US\$375,000.
2028	--		0.00	--

DLI 6	Enhancing the Decentralization agenda by strengthening regions' public investment management			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	88,000,000.00	11.7



Period	Value	Allocated Amount (USD)	Formula
Baseline	Absence of an online platform to fill and pay local taxes; new governance framework for state managed local taxes not implemented		
2022	DLR 6.1: The Borrower issued a decree implementing Law 07-20's local tax management	6,000,000.00	yes/no
2023	DLR 6.2: GIR-CT interfaces with local systems in 100+ large Municipalities for full tax operation management	40,000,000.00	yes/no
2024	DLR 6.3: The electronic declaration and payments system for municipal taxes is operational.	10,000,000.00	yes/no
2025	DLR 6.4: The new governance framework mandated by article 6 of Law No. 07-20 is operational in 400 Municipalities	24,000,000.00	yes/no
2026	DLR 6.5: Pursuant to Framework Law No. 69-19 on tax reform, a draft law of local taxation and fees is presented to the Secrétariat Général du Gouvernement.	8,000,000.00	yes/no
2027	--	0.00	--
2028	--	0.00	--
Rationale: --			



DLI 7		Improving data exchange and interoperability of information systems		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	56,000,000.00	8.0
Period	Value		Allocated Amount (USD)	Formula
Baseline	The interoperability platform is not operational and the legal and regulatory framework for interoperability is not in place			
2022	<p>DLR#7.1: The Government Council has adopted and submitted to Parliament draft Law on digital administration.</p> <p>DLR#7.2: A general interoperability framework consolidating the norms, procedures and technical standards required for users to interface with the national interoperability platform, has been adopted.</p> <p>DLR#7.3: The national interoperability platform is operational.</p>		18,000,000.00	Yes/No
2023	<p>DLR 7.4: The regulatory acts implementing Law on interoperability have been prepared and submitted to the Secrétariat Général du Gouvernement.</p> <p>DLR#7.5: The list of administrative procedures prioritized for digitalization in conformity with Law No. 55-19 on the simplification of administrative formalities and procedures has been validated by the National Commission on Simplification of Administrative Procedures.</p>		20,000,000.00	Yes/No



2023-2024	<p>DLR#7.6: the ADD has integrated 12 use cases with the national interoperability platform for digitalization of associated services.</p> <p>DLR#7.7: The integration of the 12 use cases on the interoperability platform has resulted in the simplification of administrative procedures.</p>	13,000,000.00	Yes/No
2024-2025	DLR#7.8: A public administration and institutions users satisfaction survey of the platform regarding the national interoperability platform has been completed by the ADD.	5,000,000.00	Yes/No

DLI 8		Improving the proactive disclosure of open government data		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	60,000,000.00	8.6
Period	Value	Allocated Amount (USD)		Formula
Baseline	Limited data openness			
2022	DLR 8.1: List of priority actions to be implemented for open data is established by the Open Data Steering Committee in consultation with non-government stakeholders.	5,000,000.00	Yes/No	
2023 - 2025	DLR 8.2: (a) The COPIL's membership is extended to include actors identified in the ODRA; and (b) the COPIL has: (i) defined in guides or manuals the norms and standards for the processing and publication of data and metadata by the public administration and institutions on the open data platform; and (ii) adopted a monitoring and	40,000,000.00	Yes/No	



	<p>evaluation plan for the open data initiative.</p> <p>DLR 8.3: The draft regulatory text on proactive disclosure under the Access to Information Law No. 31.13 has been validated by the MNTRA for its submission to the Council of Government.</p> <p>DLR 8.4: The national open data portal is operational and include an interactive module to facilitate user participation in quality control and rapid feedback.</p> <p>DLR 8.5: A data inventory has been developed, and priority data sets for processing and publication have been identified.</p>		
2025	DLR#8.6: At least one (1) annual hackathon-type event to promote public open data use has been organized by the ADD.	5,000,000.00	Yes/No
2025	DLR#8.7: 245 quality, updated, priority datasets published free of charge with essential metadata in an open and reusable format on the national platform data.gov.ma (or linked to a sectoral data platform), from a baseline of 145 datasets.	10,000,000.00	Yes/No

DLI 9				
Improving budget transparency				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Intermediate Outcome	Yes	Text	37,000,000.00	4.9
Period	Value		Allocated Amount (USD)	Formula



Baseline	No action plan in place, not functioning open budget platform.		
2022	–	0.00	–
2023	–	0.00	–
2024	–	0.00	–
2025	DLR 9.1: Publication of a Citizen's Budget for the mid-year implementation phase.	3,000,000.00	Yes/No
2026	DLR 9.2: The open budget platform is operational.	10,000,000.00	Yes/No
2024-2025	DLR 9.3: (a) adoption of an action plan to improved budget transparency.	5,000,000.00	Yes/No
2025-2028	DLR 9.3: (b) implementation (60%) of an action plan to improved budget transparency.	19,000,000.00	From a baseline of 0, per each 15% threshold of the action plan implementation achieved, US\$4,500,000 (up to US\$19,000,000).
Action: This DLI is New	Rationale: --		

DLI 10 Improvement of public investment management				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD) As % of Total Financing Amount	
Output	Yes	Text	25,000,000.00	3.3
Period	Value	Allocated Amount (USD)	Formula	
Baseline	No rule for prioritizing public investments. Weak link between the investment projects programmed and execution.			



2022	-	0.00	-
2023	-	0.00	-
2024	-	0.00	-
2025	DLR10.1: Introduction of a rule for prioritizing public investments.	8,000,000.00	Yes/No
2026	DLR10.2: Istithmar platform is interoperable with budget programming modules (PBT).	5,000,000.00	Yes/No
2027	DLR#10.3: A link is established between the investment projects programmed by the Finance Act and supported by Istithmar de "e-budget 2", and the execution of their budget appropriations in GID: a. Piloting in 3 ministerial departments. b. Extension to ten (10) ministerial departments with major investment projects, as defined in the protocol of verification.	12,000,000.00	DLR10.3(a): Yes/No, US\$6,000,000; i.e. US\$2,000,000 per ministerial department. DLR#10.3(b): Yes/No, US\$6,000,000, i.e. US\$600,000 per ministerial department.
2028	-	0.00	--

DLI 11				
Enhancing the value of state-owned property				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	Yes	Text	43,000,000.00	5.7
Period	Value	Allocated Amount (USD)		Formula
Baseline	Need for a law on the private domain of the State and to capitalize on digitalization			



2022	–	0.00	–
2023	–	0.00	–
2024	–	0.00	–
2025	–	0.00	–
2026-2027	DLR 11.1. The DDE has collected and digitized graphic data via the GIS Platform in the geographic area of the program.	10,000,000.00	Yes/no
2024-2028	DLR 11.2. The DDE has achieved at least 90% of defined targets in terms of land area subject to the registration procedure in the Program Area annually, during three (3) CYs.	9,000,000.00	US\$3,000,000 for each annual target, up to a maximum of US\$9,000,000
2024-2028	DLR 11.3. DDE has improved revenue collection: <ul style="list-style-type: none"> a. MEF has submitted (a) the law on the State Private Domain to the SGG and (b) the related draft implementing decree(s). b. The DDE has designed and implemented a risk map for the revenue circuit managed at DDE level, as well as an action plan for deploying the measures. c. The increase in revenue generated by the State's assets is at least 7% over a period of two (2) years (excluding innovative financing) in the program area. 	24,000,000.00	<ul style="list-style-type: none"> a. Yes/No. US\$2,000,000 with US\$1,500,000 for the law (a) and 500,00 for the draft decrees (b). b. Yes/No. US\$2,000,000 c. Yes/No. US\$20,000,000, i.e. US\$10,000,000 per year.



Verification Protocol Table: Disbursement Linked Indicators

DLI 1	Strengthening the performance approach introduced by the LOF
Description	The Ministry of Economy – Budget Department has issued a circular establishing the quality standards to be met by the Performance Projects, including efficiency indicators, quality of service indicators and socio-economic indicators – the latter including gender (DLR 1.1) and is implemented (DLR 1.3) The Ministry of Economy has issued a circular establishing a model of Management Charter to performance management dialogue in ministries (DLR 1.2) and its adoption by ministries (DLR 1.4)
Data source/ Agency	IGF
Verification Entity	Budget Department
Procedure	IGF (i) verifies that the two circulars are published, (ii) reviews the objectives/indicators in the PPs of the targeted ministries against the circular’s standards and attests that common priority indicators, and performance indicators (efficiency, quality of service, socio-economic) are used; (iii) verifies that the targeted ministries have adopted management charters in line with the circular against the model.
DLI 1	Strengthening the performance approach introduced by the LOF
Description	<ul style="list-style-type: none"> • DLR 1.1 - The MEF has issued a circular (or equivalent administrative/legal act) setting out the quality standards to be met by Performance Projects ("PPs"). • RLD 1.2. MEF has issued a circular (or equivalent administrative/legal act) setting out a model management charter. • RLD 1.3. Eleven (11) ministries have implemented at least two quality standards defined in the MEF circular (or equivalent administrative/legal document) mentioned in DLR 1.1. • DLR 1.4. Ten (10) ministries/departments have adopted their management charter. (parent operation) • DLR 1.5. Nine (9) ministries/departments have adopted their management charter. (scale-up) • DLR 1.6. Sixteen (16) ministries/departments have elaborated a roadmap/guideline for the implementation of management control.



	<ul style="list-style-type: none"> • RLD 1.7. Streamlining CAS management: a. Introduction of a rule capping revenues allocated to CAS, introduced by administrative/legal act. b. Reduction of CAS earmarked tax revenue in proportion to general budget revenue • DLR 1.8 - Nine (9) EEPs have adopted at least two additional instruments to modernize their management.
Data source/ Agency	IGF
Verification Entity	Budget Directorate (DB), Directorate of Public Enterprise and Privatization (DEPP) - Ministry of Economy and Finance
Procedure	<p>DLR 1.1</p> <ul style="list-style-type: none"> • As under the parent operation <p>DLR 1.2</p> <ul style="list-style-type: none"> • As under the parent operation <p>DLR 1.3</p> <ul style="list-style-type: none"> • As under the parent operation <p>DLR 1.4 and 1.5</p> <ul style="list-style-type: none"> • Each year, the Budget Department communicates the list of departments to the PMU, together with the management charters. This RLD will be implemented from 2023 and will cover 3/4 departments per year. • The PIU sends the IGF the list of departments concerned. • The IGF examines the management charters of the targeted departments . • The IGF ensures that the management charters are in line with the circular cited in RLD 1.2. In this respect, the IGF must ensure that each management charter includes at least the following aspects: * Scope and objectives of the management charter. * Roles and responsibilities of stakeholders. * Management principles and rules. * Management calendar. * Organization of management dialogue. • The IGF prepares a report confirming the number of ministerial departments that have adopted management charters in line with the circular. • The PMU submits the IG F report and the disbursement request to the World Bank. <p>RLD 1.6</p> <ul style="list-style-type: none"> • Annually, the Budget Department communicates the list of departments to the PMU, together with the roadmaps and master plans. • The PIU sends the IGF the list of ministerial departments concerned. • The IGF examines the roadmaps/master plans of the targeted ministries.



- The IGF ensures that the roadmaps/master plans are in line with Decree no. 2-22-580 on the implementation of management control within ministerial departments.
- The IGF prepares a report confirming the number of ministerial departments that have adopted roadmaps/ master plans in line with the Decree. Each confirmed department is entitled to disbursement of the amount specified in the loan agreement.
- The PIU submits the IGF report and the disbursement request to the World Bank.

RLD 1.7 (a) Introduction of a rule capping revenues allocated to CAS introduced by administrative/legal act

- The MEF submits the duly approved legal/administrative act to the IGF incorporating a specific target for a "revenue ceiling" to limit CAS revenues, and specifies the repayment of surpluses to the general state budget.
- The IGF prepares a report confirming the revenue ceiling.
- The PIU submits the IGF report and the disbursement request to the World Bank.

RLD 1.7 (b) Reduction of CAS earmarked revenue in proportion to general budget revenue

- MEF submits the necessary documentation to the PMU, which notes the reduction in assigned revenues.
- The reduction is detailed as follows: a -0.5% change in the target, on a constant entitlement basis (excluding new taxes which could be assigned and which are not included in the reference value), with 2022 as the baseline.
- The IGF is preparing a report confirming, on the basis of the documentation provided, the decline in assigned revenues as detailed above.
- The PIU submits the IGF report and the disbursement request to the World Bank.

RLD 1.8

- Each year, the DEPP sends the PIU a list of the EEPs concerned, together with the management instruments that have been adopted and any documents proving their adoption.
- The PIU sends the IGF the list of EEPs concerned and the documents forwarded by DEPP.
- The IGF examines the documents provided for each management instrument adopted.
- The IGF verifies the effective adoption of management instruments by the EEPs concerned, based on the documentation provided or any other evidence. The IGF will rely in particular on the regulations in force setting out and detailing each management instrument (for example, decree n°1549-05 on management instruments and financial control reform, or any other document that may replace it).
- The IGF ensures that the adoption of the management instrument by the EEP has not already been, or is not intended to be, the subject of a disbursement under another World Bank financing program.
- The IGF prepares a report confirming the number of EEPs that have adopted the management instruments.



	<ul style="list-style-type: none"> The PIU submits the IGF report and the disbursement request to the World Bank.
DLI 2	Introducing sustainable and equitable budgeting
Description	<ul style="list-style-type: none"> RLD 2.1 - The MEF has issued a circular (or an equivalent administrative/legal act) establishing in particular the procedures, timetable, definitions and scope of climate budgeting. RLD 2.2 - Adoption of climate tagging in the budgets of 3 ministerial departments RLD 2.3 - Publication of a climate-sensitive budget in accordance with the circular of RLD 2.1. RLD 2.4 (a) integration of gender tagging in three-year budget programming pursuant to the <i>Chef du Gouvernement's</i> circular on drawing up three-year budget programming proposals, or any other circular or equivalent act on gender marking. RLD 2.4 (b) Application of the gender marking methodology by eight ministerial departments (two departments per year)
Data source/ Agency	Budget Departments/Involved ministerial departments
Verification Entity	IGF
Procedure	<p>RLD2.1</p> <ul style="list-style-type: none"> The IGF ensures that the budget department has published the circular (or equivalent administrative/legal act). The IGF ensures that the circular (or equivalent administrative/legal act) is prepared in accordance with national standards and international best practice, i.e.: to include climate risk adaptation and mitigation measures, defines the methodology for assessing PoPs according to their climate sensitivity, provides guidance for climate-specific indicators and defines the processes for identifying and validating the climate-sensitive share of the budget, including roles, responsibilities and timetable. The IGF prepares a report that includes the circular's publication references and confirmation of the circular's compliance with the national standards and international good practice cited above. The PMU submits the IGF report and the disbursement request to the World Bank. <p>RLD2.2</p> <ul style="list-style-type: none"> The Budget Department communicates the list of departments to the PMU. The PMU communicates the Climate Budget document drawn up at department level. The IGF ensures that the provisions of the circular setting out the standards to be met by climate-sensitive



	<p>budgeting have been respected in the budget documents.</p> <ul style="list-style-type: none"> • The IGF prepares a report confirming the application of the circular (RLD2.1) to the published climate budgets • The PMU submits the IGF report and the disbursement request to the World Bank". <p>RLD 2.3</p> <ul style="list-style-type: none"> • The PMU communicates the Climate Budget document drawn up by DB. • The IGF ensures that the provisions of the circular setting out the standards to be met by climate-sensitive budgeting have been complied with in the Climate Budget document - including publication. • The IGF prepares a report confirming the application of the circular (RLD2.1) to the published climate budgets. • The PMU submits the IGF report and the disbursement request to the World Bank". <p>RLD 2.4 (i)</p> <ul style="list-style-type: none"> • - The IGF ensures that the budget department has published the circular (or equivalent administrative/legal act). The circular will either be that of the Head of Government relating to the establishment of proposals for Three-Year Budget Programming¹ , or a circular dedicated to marking. • - The IGF ensures that the circular (or an equivalent administrative/legal act) sets out the principle of gender marking, so that ministerial departments can implement it. • - The IGF prepares a report which includes the publication references of the circular and confirmation of the circular's compliance with the gender marking principle. • - The PMU submits the IGF report and the disbursement request to the World Bank. <p>RLD 2.4 (i i)</p> <ul style="list-style-type: none"> • - The budget department sends the list of departments to the PMU. • - The PMU communicates the marking methodological note, to facilitate its implementation at department level. • - The IGF ensures that the methodological note setting out the standards to be met by gender budgeting in terms of marking has been respected by the ministerial departments. • - The IGF prepares a report confirming the application of the methodological note. • - The PMU submits the IGF report and the disbursement request to the World Bank.
DLI 3	Enhancing the Decentralization agenda by strengthening regions' public investment management
Description	<ul style="list-style-type: none"> • RLD 3.1 - Publication of a circular from the MI requesting the Region to include three-year budgeting for each public investment project in their PDR and CPER.



	<ul style="list-style-type: none"> • RLD 3.2 - The PDR monitoring platform, with the functionalities described in the MOP, is operational in at least three Regions. • RLD 3.3 - Publication within reasonable timeframes of public investment execution reports with an adequate level of information and as described in the MOP: <ul style="list-style-type: none"> ○ (a) By the Fez-Meknes region ○ (b) By two other regions in the geographical area of the Program • RLD 3.4 – The regional development plan monitoring platform is improved by strengthened reporting and better monitoring of sustainable development: <ul style="list-style-type: none"> ○ (a) Identification by project at GID level is operational. ○ (b) A module for monitoring the sustainable development objectives of projects is operational in the PDR monitoring platform. • RLD 3.5 – Extension of the GID and GIR-CT accounting and budgetary information systems: <ul style="list-style-type: none"> ○ (a) Six (6) Regional Project Execution Agencies (AREP) in the Program Area have adopted and are using the GID-AREF and GIR-CT information systems. ○ (b) The DGCT and the Directorates General Services of the six (6) Regions and of the six (6) largest Municipalities in the Program Area have access to GID reporting information systems data for consultation (with a maximum of one-week lag). • RLD 3.6 - Annual publication of a citizen budget by at least six (6) of the 14 largest municipalities and by at least 6 Regions.
Data source/ Agency	<ul style="list-style-type: none"> • DGCT /Regions and municipalities involved
Verification Entity	IGF
Procedure	<p>DLR 3.1 As per parent operation.</p> <p>DLR 3.2 As per parent operation.</p> <p>DLR 3.3 The IGF verifies that:</p> <ul style="list-style-type: none"> • A physical and financial execution report covering at least all the investment projects included in the PDR and/or the CPER is published at least for three Regions (including Fès Meknes) in the geographical area of the program, and



at least two consecutive semesters. This report contains in particular data from the monitoring and management platform referred to in RLD 3.2.

- The publication of the reports from the Fes-Meknes region entitles it to a disbursement of \$20 million, subject to specific conditions stipulated in the financing agreement linked to the grievance management system.
- The publication of reports from two other regions gives rise to a total disbursement of \$10m, or \$5m per region.
- The publication of each report occurs in the month following the end of the semester (i.e. in January and July)
- The publication is posted online on the Region's website.
- The IGF prepares a report attesting that the above conditions have been met.
- The PMU submits the IGF report as well as the disbursement request to the World Bank.

DLR 3.4 (a)

- The IGF ensures that the integrated budgetary and accounting system GID available to the Regions makes it possible to identify each expenditure relating to an investment project included in a PDR or in a State-Region program contract, at the stage of the commitment and at the payment stage.
- The IGF checks with a Region and its public accountant that this functionality is operational.

DLR 3.4 (b)

- The IGF ensures that a module relating to sustainable development objectives has been added to the PDR investment monitoring platform and that the amounts of investments monitored by the platform are well broken down, depending on their nature, between the 17 sustainable development goals as defined in September 2015 at the UN Sustainable Development Summit
- The PMU submits the IGF report as well as the disbursement request to the World Bank.

RLD 3.5 (a)

- The IGF ensures that all the Regional Project Execution Agencies in the geographical area of the program have adopted the integrated budgetary and accounting system GIR and GID and that it is operational.
- The IGF interviews each of the Regions and conducts an on-site verification in 3 Regions within the program area
- The PMU submits the IGF report as well as the disbursement request to the World Bank.

RLD 3.5 (b)

- The IGF ensures that the GID and GIR reporting are accessible for consultation by the DGCT (Local Finance Directorate) and by the Regions and by the 10 most populated municipalities in Morocco, within the geographic area of the program.
- Regarding the DGCT, this access is provided for all local authorities and local public establishments. It is reserved for



	<p>people designated by the Director General of Local Authorities or the Director of Local Finance in a dedicated and traceable manner. It must be completed in 2026.</p> <ul style="list-style-type: none"> • With regard to Regions and municipalities, this access must be ensured in 2027 under the conditions: Safety and confidentiality, a community only having access to its own data and designated people within each of them having dedicated and traceable access; Freshness: the data consulted must be at least 5 days old following their introduction into the GIR and GID system The IGF with the DGCT (on-site visit) and by survey with local authorities of the reality of this access. • The PMU submits the IGF report as well as the disbursement request to the World Bank. <p>DLR 3.6</p> <ul style="list-style-type: none"> • The IGF ensures that the DGCT has clearly defined a framework for presenting the citizen budget available to municipalities and Regions • The DGCT provides the IGF with a list of at least 6 regions and 6 municipalities within the geographic area of the program that have used the presentation framework • The IGF ensures that 6 municipalities and 6 regions communicate using this framework on their website. Communities can adopt a more developed presentation but respecting the general framework proposed by the DGCT. • The PMU submits the IGF report as well as the disbursement request to the World Bank
DLI 4	Improving the efficiency of public procurement through data production and analysis
Description	<ul style="list-style-type: none"> • DLR#4.1: The TGR has upgraded the procurement database under terms of reference set forth in the POM to inform the future national procurement observatory. • DLR#4.2: The national procurement observatory is operational. • DLR#4.3: Six (6) statistical reports of the national procurement observatory have been published. • DLR#4.4: Digitalization of the post contract award documents
Data source/ Agency	TGR/National Procurement Observatory/the Moroccan Public Procurement Portal
Verification Entity	IGF
Procedure	<p>DLR#4.1: As per parent operation</p> <p>DLR#4.2: As per parent operation</p>



	<p>DLR#4.3: As per parent operation</p> <p>DLR#4.4:</p> <ul style="list-style-type: none"> • The IGF is attending an end-to-end demonstration of the post-contract document dematerialization system which will be carried out by the TGR. • The IGF ensures that the TGR has prepared detailed operating procedures for the functionalities of the system for dematerializing supporting documents dedicated to the various stakeholders concerned (public buyers, companies, agents responsible for control and public accountants). Said operating procedures must be posted online on the public procurement portal. • The IGF ensures that the TGR has provided training on the dematerialization system to the various stakeholders concerned. • The IGF ensures the operationalization of the system through a statistical report provided by the TGR containing the following data: number of actors using the system by category (public buyers, companies, agents responsible for control and public accountants), number of documents initiated and signed electronically through the system, number of contracts signed on the document dematerialization system.
DLI 5	Improve tax compliance and revenue collection performance
Description	<ul style="list-style-type: none"> • DLR#5.1: The MEF has adopted a multi-year action plan to improve tax compliance, under terms of reference as set forth in the POM. • DLR#5.2: A national tax compliance management and risk analysis unit in the MEF is created and operational. • DLR#5.3: A tax compliance risk management committee is operational. • DLR#5.4: Based on the actions proposed by the national tax compliance management and risk analysis unit by March 31, 2024, 60% of the actions proposed have been subject to decision for action. • DLR#5.5: The debt recovery rate has increased: <ol style="list-style-type: none"> a. By 5 percent on average for a total of twenty (20) public establishments (établissement et entreprise publiques); b. By a cumulative 10 percent for each of the twenty (20) public establishments in DLR#5.5(a).
Data source/ Agency	Official documents of DGI, DEPP
Verification Entity	IGF



Procedure	<p>DLR#5.1: As per parent operation</p> <p>DLR#5.2: As per parent operation</p> <p>DLR#5.3: As per parent operation</p> <p>DLR#5.4: As per parent operation</p> <p>DLR#5.5:</p> <ul style="list-style-type: none"> • The DEPP communicates the list of the 20 EEPs concerned, defined on the basis of a diagnosis carried out in 2025. These 20 EEPs concern three sectors defined by the diagnosis. • The IGF assesses to what extent the debt recovery rate of these 20 non commercial establishments has increased since 2024. • The IGF prepares a report which measures the percentage increase in the debt recovery rate. • (a) according to the set target gfor the 20 SOEs. • (b) For each SOE that has increased its debt collection by 10 percent. • The PIU submits the IGF report as well as the disbursement request to the World Bank.
DLI 6	Increasing revenue of municipalities
Description	<ul style="list-style-type: none"> • DLR#6.1: The Borrower’s has published an arrêté implementing article 6 of Law 07-20 on local taxation management. • DLR#6.2: Interfacing functions of the GIR-CT with local systems is implemented in at least 100 large Municipalities enabling these Municipalities to manage the entire local taxation chain of operations. • DLR#6.3: The electronic declaration and payments system for municipal taxes is operational. • DLR#6.4: the new governance framework mandated by article 6 of Law No. 07-20 is operational in 400 Municipalities. • DLR#6.5: Pursuant to Framework Law No. 69-19 on tax reform, a draft law of local taxation and fees is presented to the Secrétariat Général du Gouvernement.
Data source/ Agency	TGR/DGCT/DGI



Verification Entity	IGF
Procedure	<p>DLR#6.1: As per parent operation DLR#6.2: As per parent operation DLR#6.3: As per parent operation DLR#6.4: As per parent operation DLR#6.5:</p> <ul style="list-style-type: none"> • The IGF ensures that a project to reform local taxation and local fees has been officially transmitted by the Minister of the Interior to the General Secretariat of the Government, • The PIU submits the IGF report as well as the disbursement request to the World Bank.
DLI 7	Improving data exchange and interoperability of information systems
Description	<ul style="list-style-type: none"> • DLR#7.1: The Government Council has adopted and submitted to Parliament draft Law on digital administration. • DLR#7.2: A general interoperability framework consolidating the norms, procedures and technical standards required for users to interface with the national interoperability platform, has been adopted. • DLR#7.3: The national interoperability platform is operational. • DLR#7.4: The regulatory acts implementing Law on interoperability have been prepared and submitted to the Secrétariat Général du Gouvernement. • DLR#7.5: The list of administrative procedures prioritized for digitalization in conformity with Law No. 55-19 on the simplification of administrative formalities and procedures has been validated by the National Commission on Simplification of Administrative Procedures. • DLR#7.6: the ADD has integrated 12 use cases with the national interoperability platform for digitalization of associated services. • DLR#7.7: The integration of the 12 use cases on the interoperability platform has resulted in the simplification of administrative procedures. • DLR#7.8: A public administration and institutions users satisfaction survey of the platform regarding the national interoperability platform has been completed by the ADD. • DLR#7.9: One (1) end-users satisfaction survey among companies and citizens regarding the digitalization of priority service has been completed by the MTNRA.
Data source/ Agency	Official gazette, ADD, MTNRA.



Verification Entity	IGF
Procedure	<p>DLR 7.1 As in parent program</p> <p>DLR 7.2 As in parent program</p> <p>DLR 7.3 As in parent program</p> <p>DLR 7.4 As in parent program</p> <p>DLR 7.5 As in parent program</p> <p>DLR 7.6 As in parent program</p> <p>DLR 7.7 As in parent program</p> <p>DLR 7.8 As in parent program</p> <p>DLR 7.9 As in parent program</p>
DLI 8	Improving the proactive disclosure of open government data
Description	<ul style="list-style-type: none"> • DLR#8.1: List of priority actions to be implemented for open data is established by the Open Data Steering Committee in consultation with non-government stakeholders. • DLR#8.2: (a) The COPIL’s membership is extended to include actors identified in the ODRA; and (b) the COPIL has: (i) defined in guides or manuals the norms and standards for the processing and publication of data and metadata by the public administration and institutions on the open data platform; and (ii) adopted a monitoring and evaluation plan for the open data initiative. • DLR#8.3: The draft regulatory text on proactive disclosure under the Access to Information Law No. 31.13 has been validated by the MNTRA for its submission to the Council of Government. • DLR#8.4: The national open data portal is operational and include an interactive module to facilitate user participation in quality control and rapid feedback.



	<ul style="list-style-type: none"> • DLR#8.5: A data inventory has been developed, and priority data sets for processing and publication have been identified. • DLR#8.6: At least one (1) annual hackathon-type event to promote public open data use has been organized by the ADD. • DLR#8.7: 245 quality, updated, priority datasets published free of charge with essential metadata in an open and reusable format on the national platform data.gov.ma (or linked to a sectoral data platform), from a baseline of 145 datasets.
Data source/ Agency	Official gazette, ADD, MTNRA
Verification Entity	IGF
Procedure	<p>DLR 8.1 As in parent program</p> <p>DLR 8.2 As in parent program</p> <p>DLR 8.3 As in parent program</p> <p>DLR 8.4 As in parent program</p> <p>DLR 8.5 As in parent program</p> <p>DLR 8.6 As in parent program</p> <p>DLR 8.7 As in parent program</p> <p>DLR 8.8 As in parent program</p>
DLI 9	Improving budget transparency
Description	<ul style="list-style-type: none"> • DLR#9.1: Publication of a Citizen's Budget for the mid-year implementation phase. • DLR#9.2: the open budget platform is operational. • DLR#9.3: (a) adoption and (b) implementation up to 60%, of an action plan to improved budget transparency.



Data source/ Agency	MEF - and all parties involved in action plan.
Verification Entity	IGF
Procedure	<p>RLD 9.1</p> <ul style="list-style-type: none"> • The IGF ensures that the citizen's budget for the mid-year implementation phase, i.e. by June 30, is published. • The PMU submits the IGF report and the disbursement request to the World Bank. <p>RLD 9.2</p> <ul style="list-style-type: none"> • The IGF ensures that the Open Budget platform is operational and open to the public. • The IGF conducts an audit of the platform to ensure that it is easily consultable and that it makes budget documentation available to the public in an open, understandable and usable format. • The IGF prepares a report certifying that the platform is operational, and forwards it to the PMU. • The PMU submits the IGF report and the disbursement request to the World Bank. <p>RLD 9.3 9.3. (a)</p> <ul style="list-style-type: none"> • The PIU communicates to the IGF the action plan prepared by the various stakeholders and coordinated by the DB, the PMU or any other department. This plan must be validated by all stakeholders (at least the Budget Department, the Treasury and External Finance Department and the Financial Studies and Forecasting Department). Validation of the plan gives entitlement to a disbursement. • The action plan will be based on international benchmarks for budget transparency (Open Budget Survey, PEFA, etc.), adapted to the Moroccan context. The action plan should contain a minimum of 10 actions. • The IGF prepares a report confirming the adoption of the action plan. • The PIU submits the IGF report and the disbursement request to the World Bank. <p>9.3 (b)</p> <ul style="list-style-type: none"> • The PIU provides the IGF with a progress report on the implementation of the proposed actions, drawn up by all the stakeholders responsible for implementation. • The IGF assesses the extent to which the actions set out in the action plan have been carried out. It will be able to rely in part on existing benchmarks, where appropriate, as acceptable modes of verification (the Open Budget Survey, PEFA). • The IGF prepares a report that measures the percentage of actions completed. Each 15% level entitles to a disbursement (up to 60%, which entitles to full disbursement). • The PIU submits the IGF report and the disbursement request to the World Bank.



DLI 10	Improvement of public investment management
Description	<p>DLR#10.1: Introduction of a rule for prioritizing public investments in the draft amendment of the Organic Law of Finance submitted to the SGG.</p> <p>DLR#10.2: Istithmar platform is interoperable with budget programming modules (PBT).</p> <p>DLR#10.3: A link is established between the investment projects programmed by the Finance Act and supported by Istithmar, and the execution of their budget appropriations in GID :</p> <ul style="list-style-type: none"> • Piloting in 3 ministerial departments. • Roll-out to ministerial departments with major investment projects, as per the verification protocol
Data source/ Agency	MEF
Verification Entity	IGF
Procedure	<p>RLD 10.1</p> <ul style="list-style-type: none"> • MEF submits the duly approved legal/administrative act to the IGF incorporating a rule for prioritizing public investments. • The IGF prepares a report confirming the introduction of this rule into the national legal arsenal. • The PIU submits the IGF report and the disbursement request to the World Bank. <p>RLD 10.2</p> <ul style="list-style-type: none"> • The IGF conducts an audit to ensure that the Istithmar platform is interoperable with the PBT programming module. • The IGF prepares a report certifying that the platform is operational and forwards it to the PMU. • The PIU submits the IGF report and the disbursement request to the World Bank. <p>RLD 10.3 A link is established between the investment projects programmed by the LF and supported by istithmar in "e-budget 2", and the execution of their budget appropriations in GID :</p> <p>a. Experimentation, in the first year, for 3 pilot ministerial departments.</p> <ul style="list-style-type: none"> • The PIU informs the IGF of the three pilot ministerial departments and the list of structuring projects programmed by the LF. • The IGF conducts an audit of the pilot ministerial departments to ensure that :



	<ul style="list-style-type: none"> • The structuring projects of the pilot ministerial departments are included in istithmar • The execution of said projects in istithmar is fed by the execution of the related budget appropriations in GID. • The IGF prepares a report certifying the above-mentioned elements and forwards it to the PMU. • The PIU submits the IGF report and the disbursement request to the World Bank. <p>b. Generalization to ten (10) eligible ministerial departments with structuring investment projects</p> <ul style="list-style-type: none"> • The PIU sends the IGF a list of the 10 eligible ministerial departments (excluding security and sovereignty departments). • The IGF conducts an audit of the ministerial departments to ensure that : • The structuring projects of the pilot ministerial departments are covered by istithmar • The execution of these projects in istithmar is fed by the execution of the related budget appropriations in GID. • The IGF prepares a report attesting to the above and forwards it to the PMU. • The PIU submits the IGF report and the disbursement request to the World Bank.
DLI 11	Enhancing the value of state-owned property
Description	<ul style="list-style-type: none"> • DLR#11.1: The DDE has collected and digitized graphic data via the GIS platform in the program area. • DLR#11.2: The DDE has achieved at least 90% of defined targets in terms of land area subject to the registration procedure in the program area. • DLR#11.3 (a,b,c): The DDE improved revenue collection: <ul style="list-style-type: none"> a. The MEF has submitted (i) the draft law on the State Private Domain to the SGG and (ii) the related draft implementing decrees. b. The DDE has drawn up and implemented a risk mapping for the revenue circuit managed at DDE level, together with an action plan for implementing related measures. c. The annual increase in revenues generated by the state's assets averages at least 7% of the target defined in the budget law (excluding innovative financing) in the Program Area, in two (2) CY.
Data source/ Agency	DDE
Verification Entity	IGF
Procedure	DLR 11.1 <ul style="list-style-type: none"> • IGF is conducting an audit on the digitization rates of graphic data relating to (i) land titles, (ii) registration



requisitions, (iii) unregistered estates/buildings, (iv) procedures, and (v) presumed available.

- The target is 70% digitization.
- The IGF conducts an on-site audit with access to quarterly reports and the GIS system dashboard.
- The PIU submits the IGF report and the disbursement request to the World Bank.

DLR 11.2

- The IGF ensures that 90% of the total annual targets of the performance contracts of the regional departments in the program's geographical area have been achieved, based on the performance contract assessments.
- Subject to registration procedure" is synonymous with "filing of requisition".
- The RLD is verified by year for 2024, 2025, 2026. A achievement of targets results in a disbursement of \$3,000,000 per year, for a total of \$9,000,000.
- The geographical area of the project includes the regions of Tangier-Tetouan-Al Hoceima, Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa and targeted communes in the Guelmim-Oued Noun region.
- The PIU is submitting the IGF report and disbursement request to the World Bank.

RLD11.3 (i) (a)

- The IGF ensures that the MEF has submitted to the SGG the draft law relating to the State's Private Domain. This gives entitlement to a disbursement of \$1,500,000.
- The PIU submits the IGF report and the disbursement request to the World Bank.

RLD11.3 (i) (b)

- On the basis of the law, and after publication in the B.O., the IGF ensures that draft implementing decrees are submitted to the SGG. This gives entitlement to a disbursement of \$500,000.
- The PIU submits the IGF report and the disbursement request to the World Bank;

RLD11.3 (ii)

- The IGF ensures that the DDE management committee validates (via a report) a risk mapping document comprising at least: (i) an inventory of the major risks associated with the revenue circuit, (ii) an assessment of said risks (including the potential impact and probability of occurrence), and (iii) a deployment plan for the measures defined.
- The IGF ensures that the mapping is taken into account in the annual audit plan(s) following its adoption by the Management Committee.
- The IGF ensures that the DDE has posted a note on its intranet presenting risk mapping and its deployment plan.



- The PIU is submitting the IGF report and disbursement request to the World Bank.
- RLD11.3 (iii)
- The IGF verifies that this result has been achieved on the basis of TGR revenue reports.
 - This indicator corresponds to the amounts of revenue and income generated by ECD management (general budget/land reallocation fund/agrarian reform fund - excluding innovative financing).
 - The target is restricted to the program's geographical area.
 - The geographical area of the project includes the regions of Tangier-Tetouan-Al Hoceima, Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa and targeted communes in the Guelmim-Oued Noun region.
 - The PIU is submitting the IGF report and disbursement request to the World Bank.



ANNEX 1: INTEGRATED RISK ASSESSMENT

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Moderate
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Substantial
Stakeholders	● Moderate	● Moderate
Other		● Moderate
Overall	● Moderate	● Moderate

ANNEX 2: MODIFIED PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Action
Establish and maintain throughout implementation a Strategic Steering Committee, chaired by the Head of Government and composed of representatives of ministries and institutions participating in implementation, monitoring and evaluation.	Technical		MEF	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	Ministerial decision note establishing SSC responsible for strategic oversight and policy guidance under the Program, all under terms and conditions as described in the POM, has been submitted to the Bank.	Revised
Proposed Maintain throughout implementation a Strategic Steering Committee, chaired by the Head of Government and composed of representatives of ministries and institutions participating in implementation,	Technical		MEF	Other	Continuous/recurrent	Ministerial decision note establishing SSC responsible for strategic oversight and policy guidance under the Program, all under terms and conditions as described in the POM, has been submitted to the Bank.	
Establish and maintain throughout implementation a Technical Committee chaired by the DAAG DG and composed of technical representatives of the ministries and institutions participating in implementation, monitoring, and evaluation.	Technical		MEF	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	Ministerial decision note establishing the TC under terms and conditions as described by the POM has been submitted to the Bank.	Revised

Proposed							
Maintain throughout implementation a Technical Committee chaired by the DAAG DG and composed of technical representatives of the ministries and institutions participating in implementation, monitoring, and evaluation.	Technical		MEF	Other	Continuous/recurrent	Ministerial decision note establishing the TC under terms and conditions as described by the POM has been submitted to the Bank.	
Adopt a Program Operation Manual (POM) (including details on verification protocol for each DLI).	Technical		MEF	Other	No later than 120 days after the Effective Date, or such other date as agreed by the Bank	POM approved by MEF and no-objectioned by the Bank is distributed to all entities involved in Program Implementation.	Revised
Proposed							
Maintain a Program Operation Manual (POM) (including details on verification protocol for each DLI).	Technical		MEF	Other	Continuous/recurrent	POM approved by MEF and no-objectioned by the Bank is distributed to all entities involved in Program Implementation.	
Development of the training module on environmental and social management including monitoring tools.	Environmental and Social Systems		MEF	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	The training module has been developed and submitted to the Bank.	No Change
Implementation of the developed training sessions on environmental and social management.	Environmental and Social Systems		MEF	Other	No later than 180 days after the Effective Date, or such other date as agreed by the Bank	Trainings have been completed.	No Change
Report on environmental	Environmental and Social Systems		MEF	Recurrent	Semi-Annually	Report submitted timely with	Revised

and social standards status of pipeline investment projects of the Fes-Meknes region.						content satisfactory to the Bank.	
Proposed Report on environmental and social standards status of pipeline investment projects of the Fes-Meknes region.	Environmental and Social Systems		MEF	Recurrent	Yearly	Report submitted timely with content satisfactory to the Bank.	
Appointment of environmental and social focal points among relevant stakeholders: MEF (DAAG, DB, TGR, ADI, DGI, DAGG), MI (DGCT, AREP-FM) and MNTRA (ADD, DRA) as well as all relevant stakeholders in the CPER of the Fes-Meknes region.	Environmental and Social Systems		MEF and stakeholders	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	Focal points are appointed.	Revised
Proposed Appointment of environmental and social focal points among relevant stakeholders: MEF (DAAG, DB, TGR, ADI, DGI, DAAG, DDE, DEPP), MI (DGCT, AREP-FM) and MNTRA (ADD, DRA) as well as the Fes-Meknes region.	Environmental and Social Systems		MEF and stakeholders	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	Focal points are appointed.	

E&S technical manual (covering site monitoring tools, responsibilities, methods and frequency of reporting, and application of the manual) approved by the World Bank.	Environmental and Social Systems		MEF	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	E&S technical manual approved as satisfactory by the World Bank.	Revised
Proposed Maintain E&S technical manual (covering site monitoring tools, responsibilities, methods and frequency of reporting, and application of the manual) approved by the World Bank.	Environmental and Social Systems		MEF	Other	Continuous/recurrent	E&S technical manual approved as satisfactory by the World Bank.	
Appointment of a dedicated environmental and social focal point for the MEF and assignment to the PMU for the duration of the Program.	Environmental and Social Systems		MEF	Other	No later than 90 days after the Effective Date, or such other date as agreed by the Bank	An environmental and social focal point has been identified and appointed by the MEF according to terms of reference agreed with the World Bank.	Revised
Proposed Maintain appointment of a dedicated environmental and social focal point for the MEF and assignment to the PMU for the duration of the Program.	Environmental and Social Systems		MEF	Other	Continuous/recurrent	An environmental and social focal point has been identified and appointed by the MEF according to terms of reference agreed with the World Bank.	
Implement fiduciary capacity development program including human resources in	Fiduciary Systems		DAAG/DGCT/ADD	Other	Immediately	Fiduciary capacity development program implemented, particularly at the level of region and	Revised

procurement and financial management execution.						the ADD, and remaining entities participating in the Program where implementation lags.	
Proposed Maintain fiduciary capacity development program including human resources in procurement and financial management execution.	Fiduciary Systems		DAAG/DGCT/ADD	Other	Continuous/recurrent	Fiduciary capacity development program implemented, particularly at the level of region and the ADD, and remaining entities participating in the Program where implementation lags.	
Assess and Strengthen the existing grievance and mechanism systems.	Environmental and Social Systems		MEF	Other	Within the first year of the Program	Assessment report submitted to the Bank including improvement plan.	Revised
Proposed Roll-out a grievance mechanism systems at the Fes-Meknes Region level.	Environmental and Social Systems	DLI 3.3	MEF / MI / Region	Other	By August 2024, and prior to disbursing under DLR#3.3(a)	Assessment report submitted to the Bank or onsite verification.	
Strengthened fiduciary reporting submitted within the prescribed timeframe.	Fiduciary Systems		MEF	Recurrent	Semi-Annually	Fiduciary reports are submitted to the Bank within the prescribed timeframe.	No Change
Ensure fully completed program financial statements are submitted by DTFE and shared with IGF within the prescribed timeframe.	Fiduciary Systems		MEF	Recurrent	Yearly	Financial statements are presented to the Bank within the prescribed timeframe.	No Change
Operationalization of internal audit function within the Fes-Meknes region including	Fiduciary Systems		Fes-Meknes Region/AREP/DGCT/IGAT	Other	No later than 365 days after the Effective Date, or such other date as	Internal audit function within the Fes-Meknes regions operationalized to	Revised

development of tools and capacity development activities.					agreed by the Bank	the satisfaction of the World Bank.	
Proposed Maintain operationalization of internal audit function within the Fes-Meknes region including development of tools and capacity development activities.	Fiduciary Systems		Fes-Meknes Region/AREP/DG CT/IGAT	Other	Continuous/recurrent	Internal audit function within the Fes-Meknes regions operationalized to the satisfaction of the World Bank.	
Develop and operationalize the mechanism, through issue of Instructions/circular to all procuring entities, requiring the procuring officers to check the eligibility of firms and individuals from the Bank's list of debarred and temporarily suspended.	Fiduciary Systems		MEF/TGR	Due Date	30-Jun-2022	The MEF has instructed ENNAJAA implementing agencies with procurement to check the eligibility of firms and individuals from the Bank's list of debarred and temporarily suspended.	Revised
Proposed Maintain the requirement for procuring officers to check the eligibility of firms and individuals from the Bank's list of debarred and temporarily suspended.	Fiduciary Systems		MEF/TGR	Other	Continuous/recurrent	The MEF has instructed ENNAJAA implementing agencies with procurement to check the eligibility of firms and individuals from the Bank's list of debarred and temporarily suspended.	
Report compliance to the Bank's list of debarred and temporarily suspended firms as part of	Fiduciary Systems		IGF	Recurrent	Yearly	IGF assesses the compliance of winning firms within ENNAJAA implementation against the Bank's list of debarred	No Change

Program Audit Report.						and temporarily suspended firms.	
Develop and implement a capacity-building program aimed at strengthening the financial management, procurement, and M&E skills of staff in the Fes Meknes region.	Fiduciary Systems		DAAG/Fes-Meknes region	Recurrent	Continuous	Capacity building program under implementation to the satisfaction of the World Bank.	No Change
Adopting a training curricula and 3-y training action plan on Performance Projects, Regional Budgeting, Gender, Climate budgeting, Procurement.	Technical	DLI 1	MEF	Other	No later than 18 months after Effective date or other dates agreed by the Bank	Training action plan and curricula have been submitted to the Bank.	Revised
Proposed Adopting a training curricula and 3-y training action plan on Climate budgeting.	Technical	DLI 1	MEF	Other	No later than 18 months after Effective date or other dates agreed by the Bank	Training action plan and curricula have been submitted to the Bank.	
Implementation plan for rolling out e-filing and e-payment for local taxes.	Technical	DLI 6.3	MEF	Due Date	30-Dec-2022	Implementation plan for e-filing and e-payment for local taxes submitted to the Bank.	Marked for Deletion
Validation of the Open Data Readiness Assessment Report and publication of its synthesis by the ADD.	Technical	DLI 8	ADD	Due Date	30-Jun-2022	ODRA report published online by ADD.	Marked for Deletion
Monitor through periodic reports, the effective implementation of the newly approved strategy "2025 ADD NOG."	Fiduciary Systems		ADD	Recurrent	Semi-Annually	Periodic reports submitted timely and to the satisfaction of the World Bank.	Marked for Deletion

ADD training strategy on open data to civil servants.	Technical	DLI 8	ADD	Due Date	30-Jun-2022	ADD training strategy on open data submitted to the Bank.	No Change
Adopting Procurement reforms Action Plan based on MAPS.	Technical	DLI 4	MEF	Other	No later than 180 days after MAPS report completion	3-year action plan to improve procurement system performance based on MAPS report satisfactory to the Bank is adopted.	Marked for Deletion
Adoption of a risk mapping communication plan within DDE	Technical		DDE	Other	3 months after the adoption of risk mapping	Transmission to the Bank of the said plan.	New
Strengthen internal audit missions within DCAI: (i) develop a risk mapping to support the internal audit program; (ii) schedule an internal audit mission covering the acquisition of administrative buildings	Fiduciary Systems		DDE	Other	(i) One year after the effective date, (ii) Six months after effective date	(i) The DDE has a mapping of the operational risks related to the different state procedures. (ii) A final audit report is produced by DCAI on out-of-court acquisitions of administrative buildings.	New
Adaptation of the DDE revenue procedure manual with risk mapping	Technical		DDE	Other	3 months after the approval of the risk mapping	Updated manual shared with the Bank.	New
Improve coordination with ministerial departments and the effectiveness of the budgetary programming of the Fonds de Remploi domanial (FRD) in relation to expenditure related to the	Fiduciary Systems		DDE	Other	One year after effective date	Strengthen the budgetary dialogue in the development of the employment program of the FRD between the DDE and the ministries responsible for administrative	New

purchase of administrative buildings						buildings	
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ANNEX 3: PARIS ALIGNMENT AND CLIMATE CO-BENEFITS

1. Morocco is highly vulnerable to climate variability and change, particularly rising temperatures, reduced precipitation leading to droughts²³, and coastal flooding. This is particularly true of water scarcity, Morocco being one of the most water-scarce countries in the world: it is quickly approaching the absolute water scarcity threshold of 500 cubic meters (m³) per person per year. With more frequent and severe droughts, Morocco will likely experience negative impacts on water supply, biodiversity, and agriculture and the potentially simultaneous increase in flooding poses a serious water pollution threat. Mean annual temperature is projected to increase by 1.5°C to 3.5°C by mid-century and possibly by more than 5°C by the end of the century.²⁴ Rises in temperature and other extreme weather events could affect education infrastructure and access. Furthermore, climate change is projected to negatively impact food production, food prices and nutritional quality.²⁵ The Climate and Disaster Risk Screening has been performed for this operation.

2. Morocco has however developed a strong and comprehensive legal arsenal²⁶ along with national strategies to face this challenge²⁷ and keeping with its commitments under the Paris Agreement. The GoM is also committed to adapt its PFM system to climate change through a series of reform aimed at strengthening green procurement, green budgeting and ensuring public financing to achieve Morocco's NDCs, in line with the 2022 Morocco CCDR's *Institutions and Governance* cross-cutting pillar.

3. With respect to climate change mitigation, the operation does not present a risk of having a negative impact on the country's low-GHG emissions development pathways. Activities supported by this public administration operation are universally aligned with the goals of the Paris agreement. The ENNAJAA PforR, particularly in its AF component, focus on areas of PFM and public institutions reforms, with a wide range of activities and results on public budgeting efficiency and transparency (DLI#1; DLI#9) and climate budgeting (DLI#2), revenue administration (DLI#5; DLI#6), decentralization (DLI#3), SOE governance (DLI#1), public investment management (DLI#10), state's assets management (DLI#11), and public procurement (DLI#4). These areas are all aligned with the goals of the Paris agreement. While some of the DLIs entail a digital component, they focus on the interoperability of key existing PFM systems and do not include a data center component. The Program also aims to improve SOEs management (DLI#1). The DLI do not entail any climate-related risk activity. It will focus on SOEs governance, rather than their activity. Besides, while the scope of SOEs can be broad, the DLI will target in priority SOEs under the General Budget of the State operating in the social sectors (education, health, etc.) and other priority sectors to be defined by the DEPP. These SOEs activities' climate-related risk is low. Similarly, DLI#11 on state's assets management focuses on improving the systems used by the State's Assets Agency (DDE) and will not target any risked activities such as new lands acquisition that could raise climate and social-related issues (expropriation, deforestation, etc.), as per the World Bank's social and environmental guidelines.

4. With respect to climate change adaptation, the climate-related risks that could impact its activities are low. The Program activities should not be impacted by climate-related hazards. However, the three low risks identified for the parent project remains valid. (i) *Increased Poverty and Vulnerability*: an increase in disaster-related impoverishment would put pressure on social security systems and livelihoods that target poorer groups

²³ As evidenced by the recent string of severe droughts (three in the last four years).

²⁴ Climate Risk Country Profile, World Bank Group 2021.

²⁵ FAO, 2018a: The Future of Food and Agriculture: Alternative Pathways to 2050. Food and Agriculture Organization of the United Nations, Rome, Italy, pp. 228.

²⁶ The 2011 Constitution, the National Charter on the Environment and Sustainable Development, etc.

²⁷ The 2050 long-term low-emission development strategy, the National Sustainable Development Strategy), National Climate Plan for 2030

in rural areas. (ii) *Assets and Equipment*: Climate-related hazards could destroy or degrade assets (such as information and communication technology [ICT] infrastructure and equipment, or local integrated digitalized access points), which would affect service delivery. (iii) *Institutional*: The public administration may not have the capacity to respond effectively to disasters or to build in effective adaptation mechanisms. The ENNAJAA AF will support low-risk activities when it comes to adaptation, since the Program support mainly institutional reforms to improve the PFM environment and system of the public administration.

5. The Climate-Co Benefits identified in the parent project remain valid and are enhanced by the AF. The ENNAJAA AF will continue the efforts initiated by the parent project on Climate-Budget Tagging (DLI#2). It will build on a strong technical assistance program to help MEF’s Climate Unit in getting the appropriate expertise to adapt its PFM system to climate change.²⁸ Besides, the AF will support and additional DLRs that will (i) improve monitoring of SDGs-related investment projects at the local level and (ii) enrich budget documentation with a climate impact assessment of the government’s debt and macro-fiscal strategy. This annex summarizes the results contributing to climate change adaptation and mitigation of the ENNAJAA Program. The table keeps the same assessment as for the Parent project and highlights the new climate-related component that will enhance the climate-co benefits (DLI#2; DLI#3 and DLI#9).

Table 6.1. Summary of results contributing to climate change adaptation and mitigation

DLIs	Climate Activity	Financing Amount
DLI#1 Strengthening the performance approach introduced by the LOF	<ul style="list-style-type: none"> Improving the quality of indicators of PPs as well as mainstreaming performance dialogue (DLI1) will foster the inclusion of climate-related performance indicators in PPs and enhance their implementation and accountability for performance. 	US\$50 million
DLI#2 Introducing a sustainable and equitable budget	<ul style="list-style-type: none"> Encouraging and supporting the adoption of a climate-sensitive budget (DLI2) is expected to strengthen climate change policy implementation by: (a) increasing budget allocation in PPs to both climate adaptation and mitigation across all ministries, and (b) strengthening implementation, thanks to enhanced monitoring and accountability. This DLI has been restructured in the ENNAJAA AF to adapt it to the Ministry of Finance reform calendar and ensure its alignment with other operations supporting Climate PFM, namely, the Morocco Climate Operation / Support to the Nationally-Determined Contribution (NDC) - (P178763). Ultimately, sectors critical to Morocco’s commitments to fight climate change – the environment, energy, water, forestry, agriculture and social protection - are likely to strengthen their investments related to climate adaptation and mitigation, obtain budget for these, and be under scrutiny for implementation. 	US\$28 million DLR#2.1; DLR#2.2 and DLR#2.3
DLI#3 Enhancing the Decentralization agenda by strengthening regions’ public investment	<ul style="list-style-type: none"> Improving regions’ budgeting process (DLI3) will achieve the same result for their performance indicators and investment programming. The ENNAJAA AF is adding a DLR to ensure monitoring of SDGs-related investment projects at the local level (DLR#3.4). The platform monitoring the regional development plans (PDR) will incorporate a SDG module to 	US\$36 million (US\$14 million for

²⁸ TF0B7861 and TF0C0501

management	tag every project related to the SDGs. The module will specifically target SDGs related to climate change and include mitigation and adaptation actions: 7. Affordable and clean energy; 11. Sustainable cities and communities; 12. Responsible consumption and production; and, more importantly, 13. Climate action. DLR#3.4 will enable the Ministry of Interior and local governments track and better monitor investment projects expected to reduce or avoid GHG emissions or to support other climate mitigation activities. DLR#3.4(i) will ensure that all projects are financially tracked by including the investment expenses managed by the regional projects' execution agencies (AREPs).	DLR#3.4)
DLI#4 Improving the efficiency of public procurement through data production and analysis	<ul style="list-style-type: none"> Open Data on procurement will enable civil society to monitor public procurement to advocate for more green or sustainable procurement. In some countries, like Bolivia, civil society is making clear links between openness and sustainability, including strengthening of sustainable food purchasing through digitalization of procurement data. In Mexico, civil society is supporting community opposition to construction of a dam, based on the analysis of contracting data. In Honduras, there are innovative efforts to join up infrastructure contract data, environmental impact assessments, land use data, and risk maps. Publication of public procurement data, including related to climate change, is supplementary to the support provided by the Morocco Climate Operation²⁹ on green procurement. The ENNAJAA AF adds a new DLR to the parent project to incentivize the digitalization of the post-contract award documents (DLR#4.4), which will result in a significant reduction of paper-based procurement processes, eventually leading to a reduction in GHG emissions. 	US\$8 million (US\$8 million for DLR#4.4)
DLI#5 Improving tax compliance and performance of the tax administration	<ul style="list-style-type: none"> Improving tax information systems (DLI5) will provide the opportunity to produce data on tax expenditures relevant to climate and to track climate-responsive budgeting (DLI2). Tracking climate-related tax expenditures will not only foster the GOM's efforts to fight climate change using the fiscal tools, but also tax compliance on tax relevant to climate change and taxation/exemption policy the GOM could leverage to support climate policy (e.g., on fuel, electricity and water consumption). Such taxation policy would in turn influence private sector alignment with national climate efforts. 	US\$15 million
DLI#6 Increasing revenue of municipalities	<ul style="list-style-type: none"> s/a 	US\$8 million
DLI#7 Improving data exchange and interoperability of information systems And	<ul style="list-style-type: none"> The assessment of the parent project still holds true: focus on data interoperability standards and infrastructure (DLI7) will help reduce duplication and support efficiency by promoting the re-use of existing data across integrated services. Digitalizing key public services (DLI7) is expected to reduce the consumption of fossil fuels used in traveling to administrative service points and/or receiving services through traditional 	s/a (not included in the AF)

²⁹ Morocco Climate Operation / Support to the Nationally-Determined Contribution (NDC) - (P178763)

<p>DLI#8 Improving the proactive disclosure of open government data</p>	<p>analog channels, and reduce the consumption of paper. Improving inter-agency coordination in data management and governance and providing e-services to citizens will reduce the environmental impact of data transactions. The data interoperability framework and platform will consider climate risk and climate policy data in its design to ensure resilience in adverse impact scenarios, but also to mainstream climate risk awareness and the need to contingency plan and develop responses to climate disasters.</p> <ul style="list-style-type: none"> • The assessment of the parent project still holds true: Mainstreaming climate considerations into budget processes (DLI1) combined with improving information data consolidation (DLI7) and sharing (DLI8) will contribute to enhancing data availability on climate risks and policy commitment, and contribute to raising awareness on climate related disasters. Specifically, this activity strives to promote climate data collection and reporting within the public sector to inform policy and regulatory action, and disclosure of relevant data to the private sector. The availability and accessibility of quality data in a timely and reliable manner to both public and private sector stakeholders is not just critical in disaster settings, but also in the day to day of a changing climate to the development, deployment and monitoring of strategies, technologies and processes that increase the resilience of value chains, and civic systems and allow for the mitigation if not reversal of adverse climate impact. Ultimately, DLI8 will create a feedback loop of data collection and sharing between the public and private sector that informs climate related policy processes, regulation/legislation, and private sector activity from research and development, business creation and value chain optimization. 	
<p>DLI#9 Improving budget transparency</p>	<ul style="list-style-type: none"> • This new AF DLI will contribute to enrich budget documentation with a climate impact assessment of the government's debt and macro-fiscal strategy (DLR#9.3). An exhaustive section will be added in the three-years budget programming budget document (PBT) on the links between the debt sustainability and economic growth and climate change. 	<p>US\$37 million (US\$24 million for DLR#9.3)</p>
<p>DLI#10 Improving Public Investment Management</p>	<ul style="list-style-type: none"> • This new AF DLI will contribute to prioritize public investments, accounting for close to 20 percent of the Moroccan GDP. Ultimately, the prioritization exercise will be done through several lenses, including the climate impact dimension. The prioritization will include criteria to identify projects that will address climate mitigation and adaptation (for instance, projects reducing GHG emissions). 	<p>US\$25 Million (US\$8 Million for DLR#10.1)</p>
<p>DLI#11 Improving State's assets management</p>	<ul style="list-style-type: none"> • Similarly, DLI#11 on state's assets management focuses on improving the systems used by the State's Assets Agency (DDE) and will not target any risked activities such as new lands acquisition that could raise climate and social-related issues (expropriation, deforestation, etc.), as per the World Bank's social and environmental guidelines. 	<p>US\$43 million</p>