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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
PROJECT APPRAISAL DOCUMENT  
ON A  
PROPOSED LOAN  
IN THE AMOUNT OF  
US\$100 MILLION  
TO THE  
KINGDOM OF MOROCCO  
FOR AN  
IDENTITY AND TARGETING FOR SOCIAL PROTECTION PROJECT

February 16, 2017

Social Protection and Labor Global Practice  
Middle East and North Africa

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective October 28, 2016)

Currency Unit = Moroccan Dirhams (MAD)  
MAD 9.89 = US\$1

**FISCAL YEAR**  
January 1 – December 31

**ABBREVIATIONS AND ACRONYMS**

AfDB	African Development Bank
AMAS	Moroccan Association in Support to School Education ( <i>Association Marocaine d'Appui à la Scolarisation</i> )
BEC	Civil Registry Office ( <i>Bureau d'Etat Civil</i> )
BER	Budget Execution Report ( <i>Rapport d'Exécution du Budget</i> )
CAS	Special Allocation Account ( <i>Compte d'Affectation Spécial</i> )
CCT	Conditional Cash Transfer
CNDP	The National Control Commission for the Protection of Data ( <i>Commission Nationale de Contrôle de la Protection des Données à Caractère Personnel</i> )
CNIE	National Electronic ID Card ( <i>Carte Nationale d'Identité Electronique</i> )
CNRA	National Pension and Insurance Fund ( <i>Caisse Nationale de Retraite et d'Assurance</i> )
CNSS	National Social Security Fund ( <i>Caisse Nationale de Sécurité Sociale</i> )
COSMOS	World Bank's Cluster for Communication, Social Marketing and Outreach
CPP	Permanent Provincial Committee ( <i>Comité Provincial Permanent</i> )
CPS	Country Partnership Strategy
CT	Cash Transfer
DAA	Directorate of Administrative Affairs ( <i>Direction des Affaires Administratives</i> )
DAAP	Procurement Division- Division des Achats ( <i>Direction des Affaires Administratives et du Personnel</i> )
DBC	Division of Budget and Accounting ( <i>Division du Budget et de la Comptabilité</i> )
DGCL	General Directorate of Local Communities ( <i>Direction Générale des Collectivités Locales</i> )
DGSN	General Directorate of National Security ( <i>Direction Générale de la Sûreté Nationale</i> )
DLI	Disbursement-linked Indicator
DLR	Disbursement-linked Result
DS	Data System
DSIC	Directorate of Information Systems and Communication ( <i>Direction des Systèmes d'Information et de la Communication</i> )
EEP	Eligible Expenditure Program
EU	European Union
FM	Financial Management
FMS	Financial Management System
GDP	Gross Domestic Product
GID	Integrated Expenditure Management System ( <i>Système de Gestion Intégrée des Dépenses</i> )
GoM	Government of Morocco
GRS	Grievance Redress Service
HCP	High Planning Commission ( <i>Haut Commissariat au Plan</i> )
ICB	International Competitive Bidding

ICT	Information and Communication Technology
ID4D	Identification for Development
IFR	Interim Financial Report
IGAT	General Inspectorate of Territorial Administration ( <i>Inspection Générale de l'Administration Territoriale</i> )
IGF	General Inspectorate of Finance ( <i>Inspection Générale des Finances</i> )
IMSC	Inter-ministerial Steering Committee
INDH	National Initiative for Human Development ( <i>Initiative Nationale pour le Développement Humain</i> )
IPF	Investment Project Financing
IRR	Internal Rate of Return
IT	Information Technology
M&E	Monitoring and Evaluation
MEF	Ministry of Economy and Finance
MAGG	Ministry of General Affairs and Governance ( <i>Ministère des Affaires Générales et de la Gouvernance</i> )
MoI	Ministry of Interior
MIS	Management Information System
MNEVT	Ministry of National Education and Vocational Training
MoH	Ministry of Health
MoSWFSD	Ministry of Solidarity, Women, Family, and Social Development
MoU	Memorandum of Understanding
NAHI	National Agency of Health Insurance ( <i>Agence Nationale d'Assurance Maladie, ANAM</i> )
NCB	National Competitive Bidding
NIA	National Identity Agency
NPR	National Population Register
ONDH	National Observatory of Human Development ( <i>Observatoire Nationale du Développement Humain</i> )
PACT	Local Government Support Program Project ( <i>Programme d'Appui aux Collectivités Territoriales</i> )
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFS	Program Financial Statements
PIA	Privacy Impact Assessment
PII	Personally Identifying Information
PMT	Proxy Means Testing
PMU	Project Management Unit
POM	Project Operational Manual
PP	Procurement Plan
RAMED	Medical Assistance Regime ( <i>Régime d'Assistance Médicale</i> )
RFP	Request For Proposal
RNEC	National Civil Register ( <i>Registre National de l'Etat Civil</i> )
SBD	Standard Bidding Document
SGG	Secretary General of the Government ( <i>Secrétariat Général du Gouvernement</i> )
SORT	Systematic Operations Risk-Rating Tool
SR	Social Register
SSN	Social Safety Net

UIFR	Unaudited Interim Financial Report
UIN	Unique Identifying Number
UNICEF	United Nations Children's Fund

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Country Director:	Marie Françoise Marie-Nelly
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Practice Manager:	Hana Brix
Task Team Leader:	Diego Angel-Urdinola

**Kingdom of Morocco**  
**Identity and Targeting for Social Protection Project**

**TABLE OF CONTENTS**

<b>I.</b>	<b>STRATEGIC CONTEXT .....</b>	<b>1</b>
	A. Country Context.....	1
	B. Sector and Institutional Context.....	1
	C. Higher Level Objectives to which the Project Contributes .....	4
<b>II.</b>	<b>PROJECT DEVELOPMENT OBJECTIVES .....</b>	<b>5</b>
	A. Project Development Objectives.....	5
	B. Project Beneficiaries .....	5
	C. Project Area .....	6
	D. PDO Level Results Indicators.....	6
<b>III.</b>	<b>Project description .....</b>	<b>6</b>
	A. Project Components .....	7
	B. Project Financing .....	12
	C. Project Cost and Financing .....	13
	D. Lessons Learned and Reflected in the Project Design.....	13
<b>IV.</b>	<b>IMPLEMENTATION .....</b>	<b>14</b>
	A. Institutional and Implementation Arrangements .....	14
	B. Results Monitoring and Evaluation .....	16
	C. Sustainability.....	17
<b>V.</b>	<b>KEY RISKS .....</b>	<b>17</b>
	A. Risk Ratings Summary Table .....	17
	B. Overall Risk Rating and Explanation of Key Risks.....	18
<b>VI.</b>	<b>APPRAISAL SUMMARY .....</b>	<b>20</b>
	A. Economic Analysis .....	20
	B. Technical.....	22
	C. Financial Management.....	22
	D. Procurement .....	26

E. Social Safeguards.....	27
F. Environment (Including Safeguards).....	28
G. World Bank Grievance Redress.....	29
<b>Annex 1: Results Framework and Monitoring .....</b>	<b>30</b>
<b>Annex 2: Detailed Project Description.....</b>	<b>36</b>
<b>Annex 3: Implementation Arrangements .....</b>	<b>89</b>
<b>Annex 4: Implementation Support Plan .....</b>	<b>108</b>
<b>Annex 5: References .....</b>	<b>112</b>

**PAD DATA SHEET***Morocco**Identity and Targeting for Social Protection Project (P155198)***PROJECT APPRAISAL DOCUMENT***MIDDLE EAST AND NORTH AFRICA**0000009344*

Report No.: PAD1611

<b>Basic Information</b>			
Project ID P155198	EA Category C - Not Required	Team Leader(s) Diego Angel-Urdinola	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ]		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 10-March-2017	Project Implementation End Date 30-Jul-2021		
Expected Effectiveness Date 12-June-2017	Expected Closing Date 31-Dec-2021		
Joint IFC No			
Practice Manager/Manager Hana Brixi	Senior Global Practice Director Michal J. Rutkowski	Country Director Marie-Francoise Marie-Nelly	Regional Vice President Hafez M. H. Ghanem
Borrower: Kingdom of Morocco			
Responsible Agency: Ministry of Interior			
Contact:	Mr. Abdelhak Harrak	Title:	Director of the Communication and Information Systems
Telephone No.:	212537214102	Email:	<a href="mailto:aharrak@interior.gov.ma">aharrak@interior.gov.ma</a>
<b>Project Financing Data(in USD Million)</b>			
[ X ]	Loan	[ ]	IDA Grant
[ ]	Credit	[ ]	Grant
[ ]		[ ]	Guarantee
[ ]		[ ]	Other

Total Project Cost:	100.00					Total Bank Financing:	100.00				
Financing Gap:	0.00										
<b>Financing Source</b>											
										<b>Amount</b>	
Borrower										0.00	
International Bank for Reconstruction and Development										100.00	
Total										100.00	
<b>Expected Disbursements (in USD Million)</b>											
Fiscal Year	2017	2018	2019	2020	2021	2022	0000	0000	0000	0000	
Annual	0.00	23.00	23.00	20.00	24.00	10.00	0.00	0.00	0.00	0.00	
Cumulative	0.00	23.00	46.00	66.00	90.00	100.00	0.00	0.00	0.00	0.00	
<b>Institutional Data</b>											
<b>Practice Area (Lead)</b>											
Social Protection & Labor											
<b>Contributing Practice Areas</b>											
Education, Transport & ICT											
<b>Proposed Development Objective(s)</b>											
The objective of the Project is to expand coverage of a unique identifying number for the Moroccan population and foreign residents, and to improve targeting of social safety nets in the Project Area.											
<b>Components</b>											
<b>Component Name</b>							<b>Cost (USD Millions)</b>				
Design and development of the National Population Register (NPR) with a Unique Identifying Number (UIN), and Establishment of a National Identity Agency (NIA)							45.00				
Design and development of a Social Registry (SR)							50.00				
Project Management, Capacity Building, and Monitoring and Evaluation							4.75				
Front end fee							0.25				



<b>Systematic Operations Risk- Rating Tool (SORT)</b>		
<b>Risk Category</b>	<b>Rating</b>	
1. Political and Governance	Moderate	
2. Macroeconomic	Moderate	
3. Sector Strategies and Policies	Substantial	
4. Technical Design of Project or Program	Substantial	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Substantial	
7. Environment and Social	Moderate	
8. Stakeholders	Substantial	
<b>OVERALL</b>	Substantial	
<b>Compliance</b>		
<b>Policy</b>		
Does the project depart from the CAS in content or in other significant respects?	Yes [ ]	No [ X ]
Does the project require any waivers of Bank policies?	Yes [ ]	No [ X ]
Have these been approved by Bank management?	Yes [ ]	No [ ]
Is approval for any policy waiver sought from the Board?	Yes [ ]	No [ X ]
Does the project meet the Regional criteria for readiness for implementation?	Yes [ X ]	No [ ]
<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01		<b>X</b>
Natural Habitats OP/BP 4.04		<b>X</b>
Forests OP/BP 4.36		<b>X</b>
Pest Management OP 4.09		<b>X</b>
Physical Cultural Resources OP/BP 4.11		<b>X</b>
Indigenous Peoples OP/BP 4.10		<b>X</b>
Involuntary Resettlement OP/BP 4.12		<b>X</b>
Safety of Dams OP/BP 4.37		<b>X</b>
Projects on International Waterways OP/BP 7.50		<b>X</b>
Projects in Disputed Areas OP/BP 7.60		<b>X</b>

<b>Legal Covenants</b>					
<b>Name</b>		<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>	
SR Technical Committee		No	No later than (2) months after Effective Date		
<b>Description of Covenant</b>					
No later than two (2) months after the Effective Date, the Borrower shall establish the Social Register Technical Committee with terms of reference and composition satisfactory to the Bank.					
<b>Name</b>		<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>	
Financial management specialist, a monitoring and evaluation specialist, a legal specialist and a procurement specialist		No	No later than (2) months after Effective Date		
<b>Description of Covenant</b>					
No later than two (2) months after the Effective Date, the Project Management Unit shall recruit a financial management specialist, a monitoring and evaluation specialist, a legal specialist and a procurement specialist in compliance with the provisions of Section III.C of Schedule 2 to the Loan Agreement.					
<b>Conditions</b>					
<b>Source Of Fund</b>		<b>Name</b>		<b>Type</b>	
IBRD		Project Operational Manual		Effectiveness	
<b>Description of Condition</b>					
The Additional Condition of Effectiveness consists of the following, namely that the Borrower has adopted the Project Operational Manual, in form and substance satisfactory to the Bank.					
<b>Team Composition</b>					
<b>Bank Staff</b>					
<b>Name</b>	<b>Role</b>	<b>Title</b>	<b>Specialization</b>	<b>Unit</b>	
Diego Angel-Urdinola	Team Leader (ADM Responsible)	Senior Economist	Economist	GSP05	
Abdoulaye Keita	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Procurement	GGO05	
Ndeye Magatte Fatim Seck	Procurement Specialist	Procurement Analyst	Procurement Specialist	GGO07	
Laila Mouden	Financial Management Specialist	Financial Management Analyst	Financial Management	GGO23	
Aissatou Diallo	Team Member	Senior Finance Officer	Disbursement	WFALN	
Aissatou Maisha Dicko	Team Member	Country Officer	Operations	LCC8C	

Emil Daniel Tesliuc	Team Member	Senior Social Protection Economist	Economist	GSP05
Fatiha Amar	Team Member	Program Assistant	Operations	GWAGP
Fatiha Bouamoud	Team Member	Program Assistant	Administrative	MNCMA
Fatima El Kadiri El Yamani	Team Member	Public Health Spec.	Social Protection & Labor	GHN05
Ibtissam Alaoui	Team Member	Communications Officer	Communications	MNAEC
Jean-Charles Marie De Daruvar	Counsel	Senior Counsel	Legal	LEGAM
Kamel Braham	Team Member	Lead Education Specialist	Education	GED07
Markus Friedrich Vorpahl	Safeguards Specialist	Senior Social Development Specialist	Social	GSU05
Najat Yamouri	Team Member	Senior Social Development Specialist	Social	GSU01
Suzanne Essama	Team Member	Operations Officer	Operations	GSP05

**Extended Team**

Name	Title	Office Phone	Location

**Locations**

Country	First Administrative Division	Location	Planned	Actual	Comments
Morocco	Regions	Tanger-Tétouan-Al Hoceima, l'Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa	X		
	Provinces	Guelmim, Tan-Tan, et Sidi-Ifni.	X		

**Consultants (Will be disclosed in the Monthly Operational Summary)**

Consultants Required?    Consultants will be required

## I. STRATEGIC CONTEXT

### A. Country Context

1. **Reducing inequality and exclusion is a priority for the Government of Morocco (GoM).**<sup>1</sup> Morocco's macroeconomic conditions have improved since 2012. Public finances further improved in 2015 owing to reduced recurrent expenditures and a substantial cut to the fuel subsidy envelope. The country's external position benefited from an improved current account deficit and consolidation of foreign reserves. Moreover, with an average economic growth rate of 4.2 percent during the period 2007-2015 poverty has been reduced significantly, from 15.3 percent in 2001 to 4.8 percent in 2014. During the same period, the well-being of the bottom 40 percent of the population grew slightly faster than average, suggesting an increase in shared prosperity.<sup>2</sup> The Gini coefficient has in parallel slightly fallen for the first time in the same period (0.396 in 2014 vs. 0.406 in 2001), reflecting important levels of inequality, notably between urban and rural areas and across different regions.

2. **To continue reducing poverty and inequality, the GoM aims to build a more efficient, equitable, and integrated system of social service delivery.** Nearly 15.7 percent of the population (4.2 million Moroccans, of which two-thirds live in rural areas) live under constant threat of falling back into poverty due to lack of adequate social services in poorer regions and vulnerability to shocks (High Planning Commission - *Haut Commissariat au Plan* - HCP 2015). Improving social service delivery and ensuring higher efficiency of social spending constitute two important Government's priorities to promote equity and social inclusion in the context of the new constitution, adopted in 2011. Indeed, one of the five pillars of the 2012–2016 Government national program goals was “promoting social programs, guaranteeing equitable access to basic services, and strengthening solidarity and equal opportunities across citizens, generations, and regions.”<sup>3</sup>

### B. Sector and Institutional Context

3. **Morocco has recently undertaken considerable efforts to reform subsidies of the energy commodities.** However, resources devoted to subsidies represent an important share of social expenditures. Latest available data for 2016 indicate that the total public expenditures on subsidies (at 1.4 percent of Gross Domestic Product (GDP)) represented 76 percent of all expenditures on Social Safety Net (SSN) programs (budgeted in the Social Cohesion Support Fund) while the budget of non-subsidy safety net programs was only 24 percent (at 0.43 percent of GDP).

4. **Furthermore, the current system of SSN programs remains largely fragmented.** This translates into a burdensome and redundant administrative process that citizens have to cope with to benefit from existing programs. In the case of SSN programs in particular, Morocco has introduced, over the years, a multitude of programs implemented by several sector ministries and agencies (see Angel-Urdinola, El-Kadiri and M. Pillares-Millares, 2015). Coordination across

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<sup>1</sup> Main macroeconomic indicators in Morocco (notably economic growth, inflation) are expected to remain appropriate in the short to medium term (World Bank 2015). Despite negative impacts in the economy due to developments in the euro area; economic growth in Morocco has been positive, averaging 4 percent per year between 2010 and 2015. Growth has been driven mostly by debt-creating domestic demand, most notably by growing public expenditures.

<sup>2</sup> The well-being of the bottom 40 percent of the population grew by 3.8 percent over 2007–2014, against the growth rate of per capita household consumption (3.2 percent) over that period.

<sup>3</sup> Government Program of the Kingdom of Morocco issued by the Head of Government in January 2012.

institutions remains very scarce, the mandates of institutions usually overlap, different public institutions and agencies provide similar programs, and collaboration between programs at the central and local levels remains limited. However, the costs of such fragmentation tend to be compensated by robust Management Information Systems (MIS) that help identify existing and potential beneficiaries and allow connections between different public programs.

5. **The lack of a robust system to target the poor population and to assess their identity are factors that undermine subsidy reform.** The GoM fully completed the reform of liquid fuels (fuel, gasoline, and diesel) in December 2015. Such reform contributed to decreasing expenditures in subsidies from 4.6 percent of GDP in 2013 to 1.4 percent in 2015. This reform was successful as these subsidies mainly accrued to the richest segments of the population. However, pursuing further reforms seems more complex. The GoM has announced its intention to liberalizing sugar, wheat, and butane prices. These goods constitute a substantial part of the budget of the poor and the middle-class households. Moreover, assessing the identity of poor individuals (especially children) is complex in Morocco, since the country does not have a universal identity program (see World Bank 2015). This gap undermines the possibility of introducing targeted Cash Transfers (CTs) which require robust systems of identity verification, especially to develop secure payment methods. The lack of reliable mechanisms to assess the identity and the socio-economic status of individuals living in households does not facilitate the implementation of these reforms.

6. **The GoM intends to improve targeting and integration of existing SSN programs.** Morocco has recently introduced three flagship SSN programs targeted to the poorest segments of the population: (a) the RAMED program, Morocco's Medical Assistance Regime (*Régime d'Assistance Médicale*), a noncontributory health insurance which benefitted about 8.5 million individuals in 2015; (b) the Tayssir program, an education Conditional Cash Transfer (CCT) which benefitted about 850,000 children in 2015; and (c) the DAAM program which provides direct CTs to widows in difficult socio-economic situation taking care of orphans.<sup>4</sup> While these programs are intended to reach the poor, analysis has shown that a significant share of resources reaches non-poor households whereas many poor households are excluded from these programs.<sup>5</sup>

7. **The GoM also envisions extending coverage of the population whose identity can be verified by the administration.** Social assistance programs in Morocco have their own identity systems and databases, most of which are not interoperable with each other and/or with other databases and often include phantoms, errors, and duplicates (World Bank 2015). Many individuals, especially the poor, find it hard to register in available SSN programs as the requirements needed to prove their identity are complex. For individuals without a national identity card, the birth certificate is often the main document required by social programs to verify an individual's identity.<sup>6</sup> The civil register is not yet digitized, therefore citizens are required to provide a paper copy each time they submit an application to be considered in a social program. This complex ID ecosystem results in a heavy administrative burden for potential program beneficiaries, who often interface with several different public sector agencies that work in silos

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<sup>4</sup> As of March 2016, about 25,000 widows were benefiting from the DAAM program. Between October 2015 and March 2016, CTs amounted to about US\$17 million.

<sup>5</sup> The Tayssir program is targeted geographically at the *Initiative Nationale pour le Développement Humain* (INDH) (National Initiative for Human Development) communities (403 communities nationwide). While this approach is preferable to no targeting at all, it involves errors of exclusion and inclusion (World Bank and ONDH 2015). While the RAMED program uses a more sophisticated targeting methodology (combining PMT and community targeting methods), the system could still be enhanced (World Bank and ONDH 2015).

<sup>6</sup> Registration at birth is estimated at 89 percent. Many poor children are not registered at birth, creating important identity gaps that limit their access to some services provided by the state.

and require burdensome compilation of documents to prove identity.<sup>7</sup> Given such gaps, the GoM wished to extend the coverage of the population whose identity can be verified to better assess their eligibility to available SSNs and to improve interoperability across different SSNs' information systems.

8. **The GoM has requested the World Bank's technical and financial support to improve targeting and efficiency of expenditures on SSNs.** Since November 2013, the GoM has engaged in a broad process of technical consultations to assess the technical and political feasibility to improve the targeting and efficiency of expenditures on the flagship national SSNs, notably RAMED and Tayssir. With support from the programmatic Subsidy Reform and Cash Transfer Program Technical Assistance (SPR-TA - P133498), two flagship reports were launched to assess policy options to achieve the Government's aforementioned objectives.<sup>8</sup> Recommendations in both reports indicated that the first step toward developing a more efficient and equitable system of service delivery for SSNs in Morocco would be to develop information systems to reinforce the capacity of the administration to better target and assess the identity of individuals benefiting (or seeking to benefit) from available SSNs. These recommendations were widely disseminated, consulted upon, and accepted by high-level decision makers (both at the technical and policy levels) as well as by non-governmental partners.

9. As a result, on March 5, 2015, the GoM requested the World Bank's technical and financial assistance to design and develop: (i) the National Population Register (NPR) with a Unique Identifying Number (UIN); (ii) a Social Register (SR); and (iii) the legal and operational frameworks necessary to ensure the proper use and sustainability of these new systems. On June 16, 2015, as a testimony of strong technical and political ownership to the reform, the GoM decided to form under the leadership of the Ministry of Interior (MoI), an Inter-ministerial Steering Committee (IMSC) and two technical committees (one for the NPR/UIN and one for the SR). The role of the technical committees was to explore the technical feasibility of developing the SR and the NPR in Morocco, to propose a timeline for the reform, and to estimate the investments needed to undertake it. These committees participated in several meetings and technical missions (October 2015, February 2016, and May 2016). The results of these technical discussions have been incorporated into the technical design of the project and validated by the IMSC.<sup>9</sup>

- **The NPR** is a comprehensive database of all individuals who have the right to reside in a country (all individuals having the country's nationality irrespective of their place of residence as well as foreign residents legally in the country). Each individual in the register is represented a single time and is assigned a UIN.<sup>10</sup> The NPR serves as a backbone for

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<sup>7</sup> Citizens are required to come to the district office of their birth to obtain a certified copy of their birth certificate. The certified copy is valid for up to three months only. Thus, each time a proof of birth is required, a recent certified copy needs to be obtained. Typically, the copy takes one day to obtain and costs MAD 2 in stamps (about US\$0.25 cents).

<sup>8</sup> (1) World Bank, 2014. *Identification for development: Identification System Analysis. Country Assessment for Morocco*. Washington D.C. (2) World Bank and ONDH, 2015. *Assessing Targeting Performance of the RAMED and Tayssir Programs*. Policy Note, Rabat.

<sup>9</sup> The IMSC is presided by the Secretary General of the Ministry of Interior and composed of the Secretary Generals of the Ministries of General Affairs and Governance; Economy and Finance; Health; Education and Vocational Training; Solidarity, Women, Family and Social Development; and High Planning Commissariat. The IMSC was established by the GoM pursuant to the inter-ministerial agreement for the implementation of the SR, dated September 16, 2016.

<sup>10</sup> In its pure form, the NPR contains information of attributes that are stable for life, such as UIN of father, UIN of mother, place of birth, date of birth, and gender. The data contained in the NPR are static (that is, unchangeable) except in cases of data entry errors or through legal proceedings (for example, through court authorization in cases such as changing name and so on). Individuals enter into the register when they are born or when they immigrate into the country. Individuals exit the register at death or when they emigrate from the country.

identity attribution and verification and can be used by all existing registries and social programs to ensure ID unicity and veracity and to facilitate the security and transparency of transactions (such service monitoring as payment of social benefits). Interoperability is ensured by using the UIN as the linking ‘key’ across different databases.

- **The SR** is an information system used as a point of entry/registration for applicants of different social programs to collect and cross-check their socio-economic information as well as that of their household. Beyond screening households (or individuals) for eligibility of benefits and services, the SR is a powerful administrative tool that allows for monitoring, data mining, and business intelligence in relation to the design, implementation, and administration of social programs. The SR can be used for a single program or multiple programs or ‘integrated bundles’ of benefits and services. The development of the social registry, which will also be the basis for revising targeting methods of social programs, will allow the Government to provide more effective support to the poor and vulnerable population of the country, and reduce implementation errors and fraud and promote savings to the administration.

### **C. Higher Level Objectives to which the Project Contributes**

10. **The project will lay important foundations to improve governance and effectiveness of service delivery for SSNs.** International experience indicates that the SR, if implemented well, is a key building block to develop a more effective, equitable, and integrated system for the delivery of social programs. The SR will also facilitate further reforms in subsidies, help improve programs’ targeting and coverage, and contribute to making the allocation of social transfers more transparent and fair. As highlighted in the *World Development Report 2016: Digital Dividends*, the introduction of a universal unique identifier to the population can contribute to developing robust processes for identity verification and authentication of the beneficiaries of social programs, while improving governance and reducing leakages, double dipping, and fraud. Beyond benefits to the social protection sector, a universal ID system with proper authentication capabilities can contribute to the development of secure and efficient payment systems while promoting the development of private industries such as mobile banking and e-commerce. The project will also support the ongoing process of modernization of civil registration, as well as the establishment of a legal and institutional framework that will ensure the adequate use of the country’s main foundational data registers, while establishing adequate frameworks that ensure data privacy and confidentiality.

11. **The proposed project is well aligned with the World Bank Group’s twin goals of ending extreme poverty and boosting shared prosperity in a sustainable manner.** Activities under Component 1 will promote shared prosperity by facilitating current processes of identity verification for disadvantaged segments of the population. Evidence shows that unique identification has direct benefits for women and their families, accruing from their ability to access Government benefits and services and economic opportunities, thus promoting a more equal society and reducing gender gaps. Activities under Component 2 will promote poverty reduction by making spending on SSN programs more progressive and effective. The development of the SR will equip the GoM with a targeting tool that can be used to reallocate expenditures in SSN programs (RAMED, DAAM and Tayssir) to poorer strata of the population.

12. **The proposed project contributes to the World Bank Group’s 2014–17 Country Partnership Strategy (CPS)**, which stresses the importance of improving social service delivery as well as to **the World Bank’s 2012–2022 Social Protection and Labor Strategy**. The 2016 Performance and Learning Review (Report No 67694-MA) of the CPS 2014-2017 underscored that the project is a fundamental component of the World Bank’s multipronged response to improve access to and effectiveness of social protection programs in Morocco. The CPS indicates strong World Bank commitment to support the GoM’s vision of promoting access and effectiveness of social protection programs. More specifically, the CPS strategic outcome 1.7 in Results Area 1 (promoting competitive and inclusive growth) aims to “improve access to and effectiveness of social protection programs.” The proposed operation will also contribute to the strategic outcome 3.2, “more transparent and accountable management of public resources,” within the CPS Results Area 3 (strengthening governance and institutions for improved service delivery). Furthermore, promotion of access and effectiveness of social protection programs is one of the main pillars of the Government’s 2012-2016 program (Pillar IV), which aims to guarantee equitable access to basic services, strengthen solidarity, and provide equal opportunities across citizens, generations, and regions.<sup>11</sup>

13. **Finally, the proposed operation is aligned with the Middle East and North Africa Regional Strategy (October 2015)**, which aims to promote peace and stability in the region. The new systems supported by the project will improve the governance and traceability of social spending as well as citizens’ trust, as social transfers are allocated fairly and transparently to the eligible population. As such, this operation fits within the pillar of the Regional Strategy that seeks to renew the social contract through strengthening performance and transparency of SSN programs.

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. Project Development Objectives**

14. The objective of the Project is to expand coverage of a unique identifying number for the Moroccan population and foreign residents, and to improve targeting of Social Safety Nets in the Project Area.

### **B. Project Beneficiaries**

15. There are several types of direct beneficiaries for the project, including: (a) citizens and legal residents who will benefit from a UIN that will simplify many administrative processes in the country related to identity verification (26.3 million individuals); (b) most disadvantaged segments of the population who will have more access to identity registration and social protection programs (9.3 million individuals); (c) program administrators who will benefit from an enhanced ability to monitor performance, identify potential beneficiaries for social programs, formulate coherent social policies, and foster coordination and information exchange with other sector ministries and social programs; and (d) the public administration which will increase governance, efficiency, and equity of social spending while reducing targeting errors, leakages, and fraud. The enhancement of these identity and targeting systems will particularly benefit women.

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<sup>11</sup> The proposed operation builds closely on the policy dialogue recommendations resulting from the FY2012–15 programmatic Subsidy Reform and Cash Transfer Program Technical Assistance (SPR-TA) Program. Moreover, the operation is framed within the Bank’s 2012–2022 Social Protection and Labor Strategy, which advocates the development of integrated and efficient social service delivery systems to address poverty, inequality, and other social risks.



### C. Project Area

16. The project will cover the following geographical areas: (i) regions of Tanger-Tétouan-Al Hoceima, l'Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa; and (ii) provinces of Guelmim, Tan-Tan, and Sidi-Ifni.

### D. PDO Level Results Indicators

17. The following key performance indicators will be used to track progress toward achieving the PDO:

- (i) Number of newborns for whom a UIN has been attributed through civil registration in the project area (of which at least 45 percent are female)
- (ii) Population (six years old and above) for which a UIN has been attributed in the Project Area (of which at least 45 percent are female)
- (iii) Share of beneficiaries of the RAMED, Tayssir, and DAAM programs registered in the Social Register (SR) and who are in the first consumption quintile in the Project Area (of which at least 40 percent are female).

## III. PROJECT DESCRIPTION

18. The project will have three components as follows: (a) Design and Development of a National Population Register with a Unique National Identify Number, and the establishment of a National Identity Agency; (b) Design and Development of a Social Register; and (c) Project Management, Capacity Building, and Monitoring and Evaluation.

**Component 1:** The project will finance the acquisition of goods and provision of advisory services for the following activities in the Project Area: (i) design and development of the NPR systems, including acquisition of computer hardware and software; (ii) attribution of a UIN to the Moroccan population and foreign residents, including verification of the reliability of data and initial data uploading; (iii) technical updating of the existing information systems which will feed the NPR; (iv) preparation of the legal framework (laws and regulations) for the NPR; and (v) building institutional capacity to implement the NPR (sub-component 1.1). The project will also provide financing through reimbursement of expenditures under Eligible Expenditure Programs (EEPs), for the attribution of a UIN to the population in the Project Area (sub-component 1.2) and the provision of financing through the reimbursement of expenditures under the EEPs, for the establishment and operationalization of the NIA, the NPR and the UIN in the Project Area (sub-component 1.3).

**Component 2:** The project will finance the acquisition of goods and provision of advisory services for the following activities in the Project Area: (i) evaluation and revision of operational manuals of SSN programs which will use the SR as an entry point; (ii) development of new procedures for household registration in the SR; (iii) design and development of the SR systems, including acquisition of computer hardware and software; (iv) technical updating of existing information systems of SSN programs which will use the SR as an entry point; (v) carrying out data collection and household registration; (vi) acquisition and development of hardware and software necessary to verify and authenticate

the identity of individuals in the SR; (vii) assessment of the data quality and performance of the targeting system in the SR; (viii) preparation of the legal framework (laws and regulations) for the SR; (ix) preparation and implementation of communication campaigns and citizen engagement mechanisms, including the development of an appeal and complaint system; and (x) building institutional capacity to implement the SR (sub-component 2.1). The project will also provide financing through the reimbursement of expenditures under EEPs for the establishment of the legal framework (laws and regulations) for the SR to become a unique functional entry point for SSNs (sub-component 2.2) and the provision of financing through the reimbursement of expenditures under the EEP, for the transition of RAMED, Tayssir and DAAM program beneficiaries into the SR in the Project Area (sub-component 2.3).

**Component 3:** The project will finance the support to the Project Management Unit (PMU), including provision of technical advisory services and training, carrying out of audits for the Project and financing of Incremental Operating Costs. The project will also support the PMU to develop and implement an integrated monitoring and evaluation system for the Project.

19. The project will be implemented using investment project financing (IPF) with a results-based financing modality. It will finance the purchase of goods and services and will disburse against eligible expenditures for activities set out in the project's Procurement Plan (PP) under sub-components 1.1 and 2.1, and Component 3. The results-based financing modality will apply to sub-components 1.2, 1.3, 2.2, and 2.3 and will reimburse EEPs conditioned on satisfactory achievement of Disbursement-Linked Indicators (DLIs). Each DLI has a set of targets, or Disbursement-Linked Results (DLRs).

## **A. Project Components**

### **Component 1: Design and Development of the National Population Register (NPR) with a Unique Identifying Number (UIN), and Establishment of a National Identity Agency (NIA) (US\$45 Million)**

20. This component will provide technical and financial support to: (i) design and develop the NPR systems (architecture, software, hardware, interoperability protocols, data collection/update, data quality, and the integration of the UIN into the MIS of selected social programs/services) (sub-component 1.1); (ii) attribute a UIN to the population in the project area (sub-component 1.2); and (iii) institutionalize and operationalize the NPR, the UIN and the NIA (sub-component 1.3).

21. Activities under sub-component 1.1 will be implemented using IPF with disbursements against eligible expenditures for specific activities set out in the project's PP. Activities under sub-components 1.2 and 1.3 will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs. Each DLI will trigger disbursement milestones where the DLRs have been technically achieved according to a verification protocol (see Annex 2). Disbursements made under sub-components 1.2 and 1.3 will reimburse for expenditures made in the project's EEP as described in the Financial Management (FM) section. All procurable activities under this component, whether or not linked to the DLIs (or the EEP), will be subject to the World Bank procurement guidelines.

### **Sub-component 1.1: Design and development of the NPR Systems (US\$7 Million)**

22. This sub-component will mainly finance acquisition of goods and provision of advisory services to prepare all processes and infrastructure necessary to design and develop the NPR's information system. This component will support the following activities in the Project Area: (i) design and development of the NPR systems, including acquisition of computer hardware and software; (ii) attribution of a UIN to the Moroccan population and foreign residents, including verification of the reliability of data and initial data uploading; (iii) technical updating of the existing information systems which will feed the NPR; (iv) preparation of the legal framework (laws and regulations) for the NPR; and (v) building institutional capacity to implement the NPR (see Annex 2 for more details).

### **Sub-component 1.2: Attribution of a UIN to the Population in the Project Area (US\$24 Million)**

23. This sub-component will support the Government's efforts to modernize civil registration by equipping civil registry offices (*Bureau d'Etat Civil* - BECs) with the needed infrastructure to issue birth and death certificates electronically. The modernization of civil registration is a key condition for the development and update of the NPR, as it will ensure the continuous seeding of new entrants and exits (births and death) into the database. It is currently being deployed in Casablanca on a pilot basis. The national roll out is expected to take more than 10 years, as it entails equipping and upgrading the information systems of more than 2,200 BECs nationwide; some of which are located in very isolated areas and require substantial investments in overall infrastructure (beyond the needs of new hardware and software). The Government's goal is that, by 2021, about 40 percent of all new births in Morocco (corresponding to those in the main urban centers) will be attributed a UIN, which will be printed on their birth certificates and communicated electronically to the NPR (DLI No. 1).

24. This sub-component will also support the attribution of a UIN to individuals six years old and above in the Project Area. More specifically, the project will support the establishment of four main identity programs: (a) the database of the Citizen National Identity Program (*Carte Nationale d'Identité Electronique* - CNIE), which almost covers the entire adult population (18 years old and above); (b) the civil register (in electronic form) for all newborns; (c), the school management and information system for monitoring of the Ministry of National Education and Vocational Training (MNEVT) which covers about 95 percent of the population ages 6–18; and (d) the register of foreign residents in Morocco managed by the General Directorate of National Security (*Direction Générale de la Sûreté Nationale* - DGSN).<sup>12</sup> A UIN will be assigned to the overall population included in the NPR after ensuring the reliability of the data and the uniqueness of each individual in the repository (DLI No. 2).<sup>13</sup>

25. In this context, Table 1 summarizes the DLIs and DLRs for this sub-component and their associated milestones and target achievement dates.

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<sup>12</sup> See World Bank (2015) for a detailed description of these identity programs.

<sup>13</sup> The remaining population between 0 and 6 years old will be captured as children enter into the school system.

**Table 1. DLIs and DLRs for Sub-component 1.2**

CY 2017 *	CY 2018	CY 2019	CY 2020	CY 2021
<b>DLI No. 1: Number of newborns attributed a UIN at civil registration in the Project Area <sup>14</sup></b>				
<b>DLR 1.1</b> The UIN motor generator for the NPR is operational and has been used to attribute UINs to newborns in Casablanca through civil registration. <sup>15</sup>	<b>DLR 1.2</b> 47,000 newborns in the Project Area have been attributed an UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>DLR 1.3</b> 113,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates.	<b>DLR 1.4</b> 206,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>DLR 1.5</b> 266,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates
US\$6 million	US\$5 million	US\$4 million	US\$2 million	US\$1 million
<b>DLI No. 2: Population (6 years old and above) for which a UIN has been attributed in the Project Area <sup>16</sup></b>				
		<b>DLR 2.1</b> A UIN has been attributed to 19 million individuals (6 years old and above)	<b>DLR 2.2</b> A UIN has been attributed to 25 million individuals (6 years old and above)	
		US\$4 million	US\$2 million	

*Note:* The full description of each DLI and its verification protocol is provided in Annex 2.

\* CY denotes Calendar Year. All dates are indicative as all DLRs can be achieved any time during project implementation.

### **Sub-component 1.3: Establishment and Operationalization of the NIA, the NPR, and the UIN (US\$14 Million)**

26. This sub-component will support the Government in implementing a legal framework (laws and regulations) to establish a NIA and to assure that the agency, the NPR, and the UIN become properly regulated and operational. The development and maintenance of the NPR and the attribution of the UIN to the population require the establishment of a central institution with a clear mandate to undertake these endeavors. This will entail, as per best practice, the establishment of a national body that coordinates all the activities related to identity verification in a country while assuring high standards of data protection and confidentiality (Annex 2 provides a summary of best practices in the domain of data privacy and use of personal information). The advantages of this option include the independence and neutrality of the NPR management as well as having an institution that will eventually provide identity attribution and authentication services to the population (a public good). To have enough safeguards to ensure the adequate content of the legal frameworks (laws and regulations) to be developed under this component, draft laws will need to be satisfactory to the World Bank in order to trigger disbursement, as described in the DLI verification protocols in Annex 2. The development of adequate regulations for the agency (including those related to data privacy and protection of information of personal data) will benefit from US\$0.5 million in advisory services allocations in sub-component 1.1, which are intended to support the technical development of these legal frameworks (laws and regulations) reflecting international best practices.

<sup>14</sup> Estimates are based on the average number of new births in year 2014 according to administrative data provided by the Ministry of Health (664,000 new births). The Government's goal is to attribute a UIN through civil registration to at least 40 percent of all new births by 2021. Achievement of this DLI should be attained within the project area.

<sup>15</sup> This national project will be first tested in the Municipality of Casablanca before national roll out.

<sup>16</sup> Estimates are based on the total population 6 years and above according to the 2014 national census conducted by the HCP (29,543,264 individuals). The Government's goal is to attribute a UIN to at least 85 percent of the population 6 years and above by 2021. Achievement of this DLI should be attained within the project area.

27. Table 2 presents a summary of the agreed DLIs for this sub-component and their associated milestones and target achievement dates.

**Table 2. DLI and Disbursement Milestones for Sub-component 1.3**

CY 2017 *	CY 2018	CY 2019	CY 2020	CY 2021
<b>DLI No. 3: NPR, UIN, and NIA legally established and operational</b>				
<b>DLR 3.1</b> Draft law(s) for NPR, UIN and NIA has/have been validated by the IMSC and transmitted to the Government's General Secretariat	<b>DLR 3.2</b> The Council of Government has approved the draft law(s) for NPR, UIN and NIA		<b>DLR 3.3</b> NIA has been established and is operational	
US\$4 million	US\$6 million		US\$4 million	

*Note:* The full description of each DLI and its verification protocol is provided in Annex 2.

\* CY denotes Calendar Year. All dates are indicative as all DLRs can be achieved any time during project implementation.

### **Component 2: Design and Development of a Social Registry (SR) (US\$50 Million)**

28. This component will consist of providing technical and financial support to the Government of Morocco to: (i) develop, feed, and update the SR systems (architecture, software, hardware, operation manuals, and household registration, among others, in the Project Area) (sub-component 2.1); (ii) establish a legal framework (laws and regulations) for the SR (sub-component 2.2); and (iii) ensure the transition of beneficiaries of RAMED, Tayssir, DAAM into the SR (sub-component 2.3).

29. Activities under sub-component 2.1 will be implemented using IPF with disbursements against eligible expenditures for specific activities set out in the project's PP. Activities under sub-components 2.2 and 2.3 will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs. Each DLI will trigger disbursement milestones where the DLRs have been technically achieved according to a verification protocol. Also, disbursements made under sub-components 2.2 and 2.3 will reimburse expenditures made in the project's EEP, as described in the FM section. All procurable activities under this component, whether or not linked to the DLIs (or the EEP), will be subject to the World Bank procurement guidelines.

#### **Sub-component 2.1: Design and Development of the SR Systems (US\$20 Million)**

30. This sub-component will mainly finance acquisition of goods and provision of advisory services to prepare all processes and infrastructure necessary to design and develop the SR's information system. The activities to be carried out under this sub-component in the Project Area and to be financed are: (i) evaluation and revision of operational manuals of SSN programs which will use the SR as an entry point; (ii) development of new procedures for household registration in the SR; (iii) design and development of the SR systems, including acquisition of computer hardware and software; (iv) technical updating of existing information systems of SSN programs which will use the SR as an entry point; (v) carrying out data collection and household registration; (vi) acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals in the SR; (vii) assessment of the data quality and performance of the targeting system in the SR; (viii) preparation of the legal framework (laws and regulations) for the SR; (ix) preparation and implementation of communication campaigns and citizen engagement mechanisms, including the development of an appeal and complaint system; and (x) building institutional capacity to implement the SR (see Annex 2 for more details).

**Sub-component 2.2: Establishment of the Legal Framework (Laws and Regulations) for the SR to Become a Functional Unique Entry Point for SSNs (US\$11.00 Million)**

31. This sub-component will support the development of the legal framework (laws and regulations) to guarantee the proper utilization and sustainability of the SR. Since the SR will collect personal data, it will need to assure proper utilization of data as well as data privacy and proper protection of personal information. Legal frameworks will also be necessary to provide clear roles and responsibilities across different stakeholders that will use the system and clear mandates to programs (existing and future) to use the SR as an entry point to become beneficiaries of the social programs. Finally, clear legal frameworks for “targeting” within the context of the SR will need to be developed as well. To have enough safeguards for the adequate content of the legal frameworks (laws and regulations) to be developed under this component, such as draft laws, will need to be satisfactory to the World Bank in order to trigger disbursement, as described in the DLI verification protocols in Annex 2. The development of adequate regulations for the SR (including those related to data privacy and protection of information of personal data) will benefit from US\$1 million in provision of advisory services allocations in sub-component 2.1, which are intended to support the technical development of these legal frameworks reflecting international best practices.

32. In this context, Table 3 presents a summary of the agreed DLIs for this sub-component and their associated milestones and target achievement dates.

**Table 3. DLI and Disbursement Milestones for Sub-component 2.2**

CY 2017 *	CY 2018	CY 2019	CY 2020	CY 2021
<b>DLI No. 4:</b> SR is legally established and operational to become a functional unique entry point for SSNs				
<b>DLR 4.1</b> Draft law for the SR has been validated by the IMSC and transmitted to the Government’s General Secretariat	<b>DLR 4.2</b> The Council of Government has approved the draft law for the SR.			<b>DLR 4.3</b> The law for the SR, setting forth that the SR is the entry point for the RAMED, DAAM and Tayssir programs and for any new safety net programs to be introduced by the Borrower, has been published in the National Gazette
US\$3 million	US\$5 million			US\$3 million

*Note:* The full description of each DLI and its verification protocol is provided in Annex 2.

\* CY denotes Calendar Year. All dates are indicative as all DLRs can be achieved any time during project implementation.

**Sub-component 2.3: Transition of RAMED, Tayssir, and DAAM Programs’ Beneficiaries into the SR in the Project Area (US\$19 Million)**

33. This sub-component will support the Government’s efforts to ensure a smooth transition of the applicants from RAMED, Tayssir, and DAAM programs into the SR. The Government’s objective is that by the end of the project, all new programs applicants (new entrants and renewals) will use the SR as a unique entry point for being considered to participate in these social programs. To register in the SR, applicants will need to complete a questionnaire that collects detailed socio-economic information about the applicant and his/her household. This information is used to attribute a score of living conditions (based on a proxy means testing formula) to each household in the register. This information will then be used by the SSNs to assess the eligibility of applicants to these programs. In this context, Table 4 presents a summary of the agreed DLIs for this sub-component and their associated milestones and achievement target dates.

**Table 4. DLIs and Disbursement Milestones for Sub-component 2.3**

CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
<b>DLI No. 5:</b> Share of new applicants to RAMED, DAAM, and Tayssir programs registered in the SR				
<b>DLR 5.1</b> The questionnaire and the proxy means test formula of the SR have been validated by the IMSC after testing them on a representative sample of beneficiaries of RAMED, DAAM and Tayssir programs <sup>17</sup>		<b>DLR 5.2</b> 40percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR <sup>18</sup>	<b>DLR 5.3</b> 80percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	<b>DLR 5.4</b> 100percent of new applicants to RAMED, DAAM, and Tayssir programs in a given calendar year, have been registered in the SR
US\$7 million		US\$5 million	US\$4 million	US\$3 million

*Note:* The full description of each DLI and its verification protocol is provided in Annex 2.

\* CY denotes Calendar Year. All dates are indicative as all DLRs can be achieved any time during project implementation.

### **Component 3: Project Management, Capacity Building, and Monitoring and Evaluation (US\$4.75 Million)**

34. This component will support project management and ensure that the project is successfully and efficiently implemented using IPF. The component will also finance incremental operating costs incurred by the PMU: (i) to implement the project, including provision of advisory services and training, carrying out of audits for the project and financing of incremental operating costs; and (ii) to develop an integrated Monitoring and Evaluation (M&E) system for the project. The component will also finance the necessary incremental expenditures incurred by the PMU on account of project implementation, management and monitoring, including office supplies and utilities; office consumables; office administration, including translation, interpretation, printing and advertising, communication costs, reasonable commercial bank charges; reasonable and necessary transportation and travel costs of members of the PMU, but it will exclude salaries of officials and employees of the Borrower’s civil service.

#### **B. Project Financing**

##### **Lending Instrument**

35. The project will be implemented over five years through investment project financing that uses results-based disbursement in two of its three components. The choice of the instrument (IPF with DLIs) has been primarily guided by the intended objectives of this operation. The IPF instrument provides the flexibility to build human and institutional capacity; develop infrastructure; support underlying policies of the project. Annex 2 (section C) provides a detailed justification for the choice of the lending instrument and the disbursement modality. Under the IPF, close follow-up of defined activities and procedures will be carried out by both the Government and the World Bank. Adjustments will be made during project implementation, if

<sup>17</sup> The SR formula will provide a PMT score that will be used to profile households who apply for SSNs according to their socio-economic conditions (extreme poor, poor, vulnerable, middle class, etc.). The questionnaire collects the information necessary to apply the formula to households who wish to be considered to benefit from the SSN. The questionnaire and formula will be tested before rolling them out nationally. The test includes the calculation of the inclusion errors of the formula as well as an operation assessment of the operational difficulties that may arise for poor people to complete the questionnaire (length, clarity, complexity, etc.). Necessary adjustments to the formula and questionnaire will be made according to the results of the test.

<sup>18</sup> Numerator: number of new applicants to RAMED, Tayssir, and DAAM programs registered in the SR in year t. Denominator: total number of new applicants to RAMED, DAAM, and Tayssir programs in year t.

necessary. The use of DLIs will help focus on results and is intended to facilitate implementation and easy and frequent disbursements.

### C. Project Cost and Financing

36. The total cost for the proposed project is estimated at US\$100 million. Table 5 summarizes the overall project costs and the distribution among the components.

**Table 5. Project Cost and IBRD Financing by Component**

<b>Project Components</b>	<b>Project Cost (US\$, millions)</b>	<b>IBRD Financing (US\$, millions)</b>	<b>% IBRD Financing</b>
1. Design and Development of a National Population with a Unique Identifying Number, and Establishment of a National Identity Agency	45.00	45.00	100
2. Design and Development of a Social Register	50.00	50.00	100
3. Project Management, Capacity Building, and Monitoring and Evaluation	4.75	4.75	100
Total Project Costs	99.75	99.75	100
Front-End Fees	0.25	0.25	100
<b>Total Financing Required</b>	<b>100.00</b>	<b>100.00</b>	<b>100</b>

### D. Lessons Learned and Reflected in the Project Design

37. Given the innovative approach of the operation and the involvement of several ministries and government agencies, consensus building and coordination among stakeholders will be critical during the project implementation. Capitalizing on lessons learned of previous multi-sector reforms in Morocco, the Borrower established two technical teams (one for each component) that worked closely with the World Bank during project preparation. It is also evident that the engagement and participation of users in service planning and performance will help ensure efficient service provision.

38. Additionally, the World Bank has been coordinating with a large group of development partners (the European Union (EU), the African Development Bank (AfDB), and the United Nations Children’s Fund (UNICEF) to support the social protection sector in Morocco. The World Bank has been working with development partners to inform and build synergies and complementarity between the aid programs provided from each organization. Recent consultations<sup>19</sup> with these partner organizations have shown opportunities to build on the ongoing identification joint program of the EU/AfDB to support the regulatory framework reform required,

<sup>19</sup> The EU has launched a RFP to identify a budget support program on social protection for a period of 5 years (2017 - 2020). The program amount will be 100 million Euros. A first identification mission jointly organized with the AfDB was conducted in November 2015. The negotiation of the program is scheduled to occur in calendar year 2017. UNICEF has currently two ongoing programs with the GoM. With the MAGG, UNICEF is undertaking an assessment of the impact of subsidy reforms on macroeconomic poverty outcomes. Also, UNICEF is supporting the Government to conduct a mapping of social protection programs in Morocco and to develop an integrated vision of social protection with a focus on children.



in the long term, for the UIN and the SR. Furthermore, UNICEF is endorsing the building and development of a better ID ecosystem and a Social Register as a key element towards an integrated social protection strategy for Morocco and is willing to support the World Bank-financed project in reinforcing the inter-sector dialogue they are leading with the GoM.

39. The design and the development of the NPR has capitalized on the lessons learned from activities carried out under the programmatic Social Protection Reform technical assistance (Subsidy and Cash Transfer Program TA - P133498). The TA program produced a flagship report that has served as a backbone to identify the reforms in identity verification supported by this project. Also, inputs from the Information and Communication Technology (ICTs) and the Identification for Development (ID4D) teams have been important for identifying best practices in design and roll-out of UINs, notably from South Asia.

40. The design plan for the development and rollout of the SR is aligned with international best practices. The introduction of the SR is likely to trigger a large improvement in targeting performance of the RAMED programs, the largest SSN program in Morocco.<sup>20</sup> However, taking RAMED beneficiaries who are not in the poorest quintile out of the program is likely to be difficult. This is why the GoM is opting for a gradual introduction of the Proxy Means Testing (PMT) formula for RAMED beneficiaries, in line with the recertification of the eligibility rules. A similar gradual approach will be applied to DAAM and Tayssir. Each program will need to develop a clear exit strategy to avoid social tensions. Additional outreach efforts, such as registration campaigns, will be needed to ensure that the poorest households register in the SR.

41. As regards fiduciary aspects, the project design has benefited from the preparation and the implementation of the Local Government Support (*Programme d'Appui aux Collectivités Territoriales* - PACT – P144438) project (MENA Transition Fund grant), managed by the MoI. The project supports capacity building of local communities in Morocco to better engage and benefit from Morocco's recent decentralization process. Despite some delays in its implementation, this project has helped build the fiduciary capacity of the MoI to undertake financial and procurement processes required on a standard investment operation. Fiduciary aspects of this grant have been managed by the Directorate of Administrative Affairs (*Direction des Affaires Administratives* - DAA) at the MoI, the same Directorate which will manage the fiduciary aspects of the proposed operation. This recently acquired experience is likely to benefit the fiduciary performance of the proposed operation.

## **IV. IMPLEMENTATION**

### **A. Institutional and Implementation Arrangements**

42. The MoI will be responsible for project implementation, through (a) an IMSC, (b) a Project Director, (c) a PMU, and (d) two technical committees (one for the NPR/UIN and one for the SR). To prepare the project's readiness for implementation, the IMSC was established pursuant to the Inter-ministerial agreement for the implementation of the SR, dated September 16, 2016. The PMU was established pursuant to Decision No. 6450 dated September 8, 2016. The technical committee for the NPR was established by the Inter-ministerial agreement dated December 1, 2016. The

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<sup>20</sup> As of 2012, the program covered 20 percent of the population, but only one-third of them were from the poorest quintile (and 48 percent of them from the poorest three deciles). The introduction of a household level targeting mechanisms using PMT is likely to boost the targeting accuracy to 55-65 percent, in line with the targeting accuracy of similar programs across the world (Tesliuc et al., 2014).

satisfactory establishment of the SR Technical Committee needs be completed no later than two months after the effective date of the project (dated covenant).

43. **IMSC.** Given the importance and complexity of the reforms supported under the project, a high-level IMSC was established pursuant to the Inter-ministerial agreement for the implementation of the SR, dated September 16, 2016. The IMSC is headed by the Secretary General of the MoI and composed of Secretary Generals from the following ministries: Ministry of Economy and Finance (MEF); Ministry of Health (MoH); Ministry of Solidarity, Women, Family, and Social Development (MoSWFSD); MNEVT; Ministry of General Affairs and Governance (*Ministère des Affaires Générales et de la Gouvernance* - MAGG); and the HCP. The agreement specifies the terms of reference for the IMSC whose role will be to: (a) ensure consistency and alignment of project activities with sectoral policies; (b) review and validate technical, institutional, and regulatory proposals for the implementation of the project; (c) validate annual programs and monitor their progress as well as timely implementation of project activities; (d) examine current status of the project implementation to assess progress made; (e) examine implementation challenges, take measures to ensure effective project implementation, and consider appropriate solutions and make adjustments where necessary; (f) take all the necessary actions to facilitate the implementation of activities and ensure effective implementation of the project; and (g) oversee the institutional communication of the project. In the medium term (two to three years after the project is launched), the Government will consider the possibility of including private sector stakeholders in the IMSC, notably utility companies and banks (given that stakeholders are likely to benefit from the roll out of a robust/universal identity and identification program).

44. **Project Director.** The Project Director will be the World Bank's direct counterpart. His/her main responsibilities will include: (i) validating the terms of reference, general and progress reports; (ii) ensuring the quality and the achievement of expected project results; (iii) promoting the project; and (iv) supporting communication on the project.

45. **PMU.** A PMU to support the project implementation was established pursuant to Decision No. 6450 dated September 8, 2016 issued by MoI. The PMU is managed by a Coordinator, who in charge of the overall coordination of project activities and of the daily management of the project, including all fiduciary, monitoring and reporting aspects. The Coordinator reports to the Project Director and ensures the coordination across technical committees. The PMU is composed of civil servants from various departments of the MoI and will be strengthened by specialized consultants to support technical and fiduciary activities. The PMU has a project manager to oversee the development of the NPR and a project manager to oversee the development of the SR. Initially, both project managers of the SR and NPR and their teams (under the supervision of the Directorate of Information Systems and Communication (*Direction des Systèmes d'Information et de la Communication* - DSIC) will manage the development of both information systems. Until the NIA is established and becomes operational, the implementation of the UIN, the SR and the NPR will be managed by the DSIC under the supervision of the General Secretariat of MoI. Initially, the project manager of the NPR and his team will be in charge of managing the dataset of the NPR and of the attribution of a UIN to the population. Such roles are expected to be transferred to the NIA once it becomes operational.

46. **Technical committees.** The technical committee for the NPR/UIN is composed of representatives from different directorates within the MoI and the MNEVT in charge of information systems. The technical committee for the SR will be composed of representatives from

the MoI as well as representatives of other sectoral ministries (HCP, MoH, MNEVT, and MoSWFSD). Their tasks include: (a) the preparation of road maps with activities for the design and implementation of the technical components of the project; (b) the elaboration of technical tools for their implementation; (c) ensuring coordination and coherence of activities undertaken under Components 1 and 2; (d) review and the evaluation studies and consultancies; (e) oversight for the preparation of required technical specifications for equipment and labor (hardware and software) to be acquired through the project; and (f) the execution of annual work programs and monitoring of progress. Both technical committees will regularly report to the PMU.

47. **DLI verification.** Verification of progress towards achieving the project objectives and DLIs will be reviewed and assessed by General Inspectorate of Territorial Administration (*Inspection Générale de l'Administration Territoriale* - IGAT), according to the compliance protocols described in detail in Annex 2. Verification reports will need to be satisfactory to the World Bank. The World Bank can request (as needed) additional information and clarification before authorizing disbursements.

48. **Reporting.** The Borrower shall monitor and evaluate the progress of the project and prepare project reports, in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the World Bank. Each project report shall cover the period of one calendar semester, and shall be furnished to the World Bank no later than forty-five (45) days after the end of the period covered by such report. These reports will describe progress against each project sub-component. The reports will also contain information on fiduciary functions and will complement the financial reporting, as described in the reporting section of the FM section in Annex 3. A format for these reports was agreed with the counterparts and set out in the POM.

49. **Implementation support will be provided by the World Bank throughout the project's lifetime.** Support will include regular supervision missions and a detailed midterm review mission about two years after the project effectiveness. The midterm review mission will analyze progress toward achieving the main result indicators and determine where adjustments are needed.

## **B. Results Monitoring and Evaluation**

50. The PMU is responsible for the M&E of the overall progress toward achieving the project's results, ensuring timely collection, provision and monitoring of data, and verification of documents for the World Bank. The PMU with the lead of the MoI will coordinate this effort with the technical teams overseeing each component, schedule site inspections as needed, and document progress in the Project Reports. The M&E system is expected to include an integrated information system linked to relevant databases with a clear dashboard to monitor the progress of main and intermediary result indicators. The M&E system can at first be designed to only include project indicators and can ultimately be developed to become a comprehensive tool to foster evidence-based policymaking. The project's M&E system will also involve spot checks, audits, and performance evaluations. During implementation, the World Bank will provide methodological and technical guidance to the IGAT and to the PMU team to establish a core M&E framework and progress reports.

51. The PMU’s capacity to manage the project’s M&E requirements will need to be strengthened further, especially for the development of periodic household surveys to assess the targeting performance of the SR.

52. The Results Framework presented in Annex 1 provides the key project indicators, targets, and data collection arrangements for the duration of the project.

**C. Sustainability**

53. **There are several factors that positively contribute to the sustainability of the outcomes of the proposed project.** First, there is a strong technical and political ownership of the operation and accompanying reform supported by this project. The operation benefits from the strategic leadership of the MoI and is also supported by other sectoral ministries such as the MAGG, MEF, MNEVT, MoH, and MoSWFSD as well as the prime ministry and the HCP. The Government is fully committed to accompany the technical development of the project with adequate legal and financial frameworks to ensure the use and the sustainability of the information systems, processes, and institutions that will be developed under the project. Furthermore, the appointment of a financial management specialist, a monitoring and evaluation specialist, a legal specialist and a procurement specialist in compliance with the provisions of Section III.C of Schedule 2 of the Loan Agreement will ensure the transfer of technical know-how and the strengthening of the technical and implementation capacity of Government officials beyond the project’s lifetime. To further ensure sustainability, the project will invest in the development of adequate regulatory frameworks that clearly set the rules (roles and responsibilities) for all administrators and users of the new systems. Particular importance will be given to guarantee data protection and the respect of individual privacy rights (see Annex 2 for international best practices). The Government will ensure that legal and regulatory frameworks supported by the project are included in the Government’s 2017-2021 legal program.

**V. KEY RISKS**

**A. Risk Ratings Summary Table**

<b>Risk Category</b>	<b>Rating</b>
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Moderate
8. Stakeholders	Substantial
<b>OVERALL</b>	Substantial

## **B. Overall Risk Rating and Explanation of Key Risks**

54. **The overall risk of the project is Substantial.** This rating is driven by substantial risks emanating from: (i) sector strategies and policies; (ii) technical design; (iii) institutional capacity for implementation; (iv) stakeholders; and (v) fiduciary.

55. **Sector strategies and policies.** The risks associated with the sector strategies and policies are Substantial. It is important to stress that investments in the social protection sector in Morocco have been increasing and that the country's flagship SSN programs have made important contributions to the social protection system. While these programs have contributed to improving the national system of social assistance, substantial challenges in the system remain to be addressed (UNICEF 2016). The 2016 UNICEF study revealed that Morocco needs a more integrated social assistance system, given its large number of programs and beneficiaries. The proposed operation represents a first step towards a series of reforms necessary to develop a SSN system that is more integrated, transparent, inclusive, and efficient. The sector could benefit from the development of a unified national social protection strategy that focuses on addressing the risks of disadvantaged households holistically. In the absence of such a strategy, the reforms supported by the project may not produce the intended results and/or may not sufficiently reach out to the intended beneficiaries. Furthermore, the sustainability of this operation will rely heavily on the implementation of an adequate legal framework, which will require consultation and coordination with multiple stakeholders. To mitigate these risks, the World Bank, in partnership with UNICEF, AfDB, and the EU, will continue to support Morocco's efforts towards developing a medium-term vision for the sector. Also, the MoI has confirmed its commitment to include key reforms envisioned by the project in the Government's next five-year legal and regulatory program, notably those that involved changes in regulation and/or the development of new laws (sub-components 1.3 and 2.2). Finally, other donors (notably the AfDB and the EU) have expressed their intention to include some policy benchmarks relevant for this project, notably those related to the development of the SR, as part of their budget support programs (2017-2021) to the social protection sector in Morocco.

56. **Technical design.** Risks associated with technical design are Substantial. They result mainly from the complexity and the innovative approach of the operation, which entails the introduction of a UIN for all citizens and the development of critical information systems. During the first stage of the reform, the Government envisions that the UIN will be kept mainly as an administrative number (administrative services) allowing the different information systems within the administration to interoperate and share information. However, an important factor for the use and the sustainability of the UIN system, is that the citizen knows it and uses it to interact with the state. As new programs and services are introduced, the Government is expected to use the UIN more as identification and authentication tool. Moreover, the development of the proposed systems will require sophisticated ICTs, which will need to be 'open' and 'modular' for the establishment of the proposed systems and to allow them to evolve. To mitigate the technical design risks, the project will benchmark its design against successful proven international experiences and will seek continued technical assistance from international experts in the field. Intensive technical assistance will also be provided throughout the implementation to strengthen the PMU's implementation capacity. Moreover, to secure and nurture population buyout, a multilayered communications strategy (with tailored and ongoing communication) as well and key citizen engagement activities would be implemented.

57. **Institutional capacity for implementation.** Institutional capacity and implementation risks are Substantial. This risk rating is justified given the complexity of some of the actions supported by the operation, such as amending existing administrative procedures for beneficiary registration in flagship SSN program and for the attribution of a UIN to newborns at civil registration. These new administrative procedures will require building the capacity of civil servants at the local level, which will be subject to considerable adjustments in the current modus operandi. In addition, the SR will develop a new eligibility criteria for existing SSNs, which may revoke the eligibility of a number of current beneficiaries. This will constitute a challenge for the Government during the transition period. Also, although the implementing agency, the MoI, has significant built-in capacity to deliver registration services at the local level, the capacity of the sectoral ministries that need to adopt new program registration procedures will need to be strengthened, notably for the MNEVT, MoH, and MoSWFSD, as key implementers of the SSNs that will use the SR as an entry point for the program registration. To mitigate the institutional capacity risks, the project will develop operational manuals to properly document the new administrative procedures. As far as risks associated with the revoking of acquired benefits, the project will support a communication strategy and transition strategies for each one of the social protection programs involved (particularly for the Tayssir program). Finally, the World Bank will continuously support capacity building and training to civil servants to ensure that all stakeholders involved develop their capacity to adopt the changes in the system that will be introduced.

58. While the Government implemented various PforRs in the past to support many programs in the country, this will be the first time an IPF with DLIs will be used in Morocco. As such, there may be a learning curve to adapt to this new approach, despite similar design features between an IPF with DLIs and a PforR. Therefore, realistic and clear DLIs targets have been designed after broad consultations with the stakeholders (including the MEF, MoI, MNEVT, MoH, and MoSWFSD). The results-based disbursements will not disburse proportionally but rather when results are fully achieved. They will be triggered when the DLIs are achieved, regardless of the year of achievement (meaning that disbursement can be requested when the objectives are achieved, and even if these objectives are achieved earlier than planned). The World Bank will provide continuous and close support during the project's implementation.

59. **Fiduciary.** Procurement, FM and reporting will be undertaken by the DAA of the MoI. While the Moroccan Public Financial Management (PFM) system risk is considered "low" and the DAA in charge of the fiduciary aspects of the project has experience in managing World Bank-financed projects, fiduciary risks are deemed substantial. Project FM risks are "substantial" due to: (i) the need to produce timely Budget Execution Reports (BERs) from EEPs as documentation and evidence of achievement of the DLIs; and (ii) the need to properly budget for investment and EEP in the Finance Law for the duration of the project. Project procurement risks are also "substantial" due to: (i) the limited experience of the DAA in complex procurement and selection of consultants using World Bank procedures; and (ii) the high-level of coordination needed between the DAA, other departments of the MoI, and partner ministries who will be benefitting from goods and services provided by the MoI as the budget authority. To mitigate these risks: (i) a financial officer and a procurement specialist (experienced with World Bank-financed projects) will be hired to help carry out the fiduciary activities of the project and further strengthen the capacities of staff within the DAA in compliance with the provisions of Section III.C of Schedule 2 of the Loan Agreement; (ii) clear operational and fiduciary responsibilities and accountabilities for each entity/ministry were defined by the Inter-ministerial agreements for the implementation of the NPR and SR dated September 16, 2016 and December 1, 2016, respectively; (iii) appropriate sources of information and reporting requirements for each DLI will be set out comprehensively

in the POM; and (iv) fiduciary support to the DAA will be provided by the World Bank throughout the project implementation. If these mitigation mechanisms are implemented properly, fiduciary risks could be revisited and the rating could be revised to “Moderate.”

60. **Stakeholder risks.** Risks associated with stakeholders are Substantial, given the complex nature of the operation, the considerable coordination efforts needed to implement the project, and the involvement of multiple stakeholders in implementation. However, this rating will be revised throughout the project implementation to reflect the efforts made to mitigate these risks. Consequently, the project will support the GoM to design and roll out stakeholder consultations and citizen engagement activities. The communication strategy will include all stakeholders involved in the design and the implementation of the reform to win their support and ensure their participation. The GoM envisions the establishment of a grievance redress mechanism at the local and national levels to enhance transparency and citizen engagement. Finally, to mitigate stakeholders’ risks, the IMSC is responsible for developing guidelines of the strategic policy for the envisaged reform. Furthermore, to formalize the project’s vision, the Moroccan authorities have developed Inter-ministerial agreements for the implementation of the NPR and SR dated September 16, 2016, and December 1, 2016, respectively; which spell out the roles, responsibilities, and the outcomes of different activities and reforms supported by the project.

## VI. APPRAISAL SUMMARY

### A. Economic Analysis

61. **Development of an NPR and an SR will contribute to improving efficiency of social expenditures, particularly of SSNs.** The proposed project will contribute to the development of a “national public good” that will:

- **Reduce costs related to identity verification.** The activities undertaken by the project will facilitate current processes of identity verification, while reducing transaction costs associated with the identification of documents currently used by citizens as proof for their identity. A modernized/digital civil register will reduce the costs citizens have to bear associated with transportation and issuance of paper documents.
- **Promote savings due to errors, double dipping, and fraud.** The actions supported under this project will contribute to building a robust and reliable information basis about program recipients to reduce leakage, double dipping, and fraud.
- **Reduce the cost to target beneficiaries of SSNs.** Estimates based on international experiences (World Bank, 2014) indicate that targeting potential beneficiaries of safety nets can account for 25 to 75 percent of all administrative costs related to the implementation of social programs. The development of the SR will contribute to consolidating the administrative processes linked to targeting and registration of several SSN programs, thus reducing administrative costs.
- **Foster a more progressive allocation of social expenditures.** The harmonization and the update of targeting processes across programs will decrease inclusion and exclusion of errors, thus making spending on SSN programs more progressive and effective.

- **Promote social inclusion.** Activities supported by the project will contribute to: (i) the identification of the eligible population; and (ii) the higher take-up of the poorest households in the main national SSN programs.

62. Better systems for targeting and identification will be particularly beneficial for women. Indeed, identification is a critical factor for gender equality and the empowerment of women across multiple policy areas. Evidence shows that unique identification has direct benefits for women and their families, accruing from their ability to access Government benefits and services and economic opportunities (Box 1).

63. **Cost effectiveness of the intervention.** Because of the activities supported by the project, the poverty impact of the Government's two main SSNs programs (Tayssir and RAMED) is expected to be twice as large, for similar levels of expenditure (see Annex 2 for details).

64. **Cost-benefit analysis.** The project's five-year internal rate of return (IRR) was estimated at 19 percent under conservative assumptions (see Annex 2 for details).

65. **There is a strong rationale for public sector financing for this operation,** given the current status of the country's social delivery system, which is characterized by program fragmentation, identity flaws, limited coverage, regressive allocation of social expenditures, and burdensome administrative procedures for program registration.

66. **World Bank's value added.** The Bank offers in-depth technical knowledge and expertise in the areas of social protection, targeting, and identification, as well as international experience supporting governments to design and implement more equitable, transparent, and efficient systems for social service delivery. Furthermore, this proposed operation builds upon policy recommendations resulting from World Bank's analytical work and a policy dialogue aiming to support the Government of Morocco to develop a more efficient, integrated, and equitable social protection system.

#### **Box 1. Benefits of Identification on Gender**

Better identification systems can improve gender equality across multiple policy areas:

- *Access to Financial Services:* Legal proof of identity is central to the ability to access financial services, notably for women.
- *Access to social protection and empowerment:* A digital ID can ensure that benefits meant for women, such as CCTs, actually reach women. In Pakistan, for example, the use of biometric IDs is a precondition for accessing CT programs, ensuring that payments to female beneficiaries are delivered directly to them rather than to their husbands or brothers, as had been common under the previous system.
- *Political participation:* While requirements for voter ID vary between countries, women often get sidelined from any electoral process, if they do not possess a recognized form of ID or a voter card. This occurs because women are more likely to be illiterate and social norms may restrict their mobility, preventing them from traveling to and entering public offices to obtain documentation.

Source: Dahan and Hanmer (2015)



## **B. Technical**

67. The project is technically sound. The preparation of this operation benefited from the lessons learned from several activities conducted under the programmatic Subsidy Reform and Cash Transfer Program – P133498) Technical Assistance. This technical assistance supported the preparation of each of the proposed project components and systematic learning through analytic studies, national level visits and workshops and cross-country/south-south learning. More specifically, the technical assistance program produced two flagship studies in 2014-15 that have served as a backbone to identify the reforms supported by this project: *Report on the Evaluation of Identification Systems in Morocco* and *Evaluation of the Targeting Performance of RAMED and Tayssir*.<sup>21</sup>

68. Project preparation has capitalized from close interactions with the World Bank's ICT and ID4D teams as well as the Social Protection System's Global Thematic Group. ICT inputs have been crucial for the design of Component 1 (Development of an NPR with a UIN and Establishment of a NIA) and to capitalize on international best practices in the design and roll-out of UINs. The Social Protection System's Global Thematic Group, under its communications for SP reform initiative (COSMOS<sup>22</sup>), has also provided support by providing counterparts with best practices on communication campaigns to introduce Social Registers to the population in Brazil and Indonesia (Component 2). These interactions have provided several lessons that have been incorporated in the project's design.

69. The project has benefited extensively from north-south and south-south learning. A study tour to France (Marseille) and Belgium was organized in March 2015 and allowed counterparts to be exposed to these countries' unique identifier and national population registry - considered among the best systems in the world using a unique identifier as a point of entry (and ID verification) for the delivery of most social services provided by the state. Moreover, thanks to the support of the ID4D team, the India Chairman of the Department of Electronics and Information Technology and former Director of the Unique ID Authority of India visited Rabat in April 2016 to share with high-level MoI officials India's technical and operational experience for the design and the implementation of the country's UIN (known as the *Aadhaar* ID program). These activities have contributed to incorporating important design elements for Component 1. Furthermore, a study tour to Colombia was organized (May 2014) to expose Moroccan counterparts to the design and the implementation of Colombia's social register (SISBEN). This study tour contributed to incorporating important design elements for Component 2.

## **C. Financial Management**

70. The PMU is responsible for project implementation. Its FM capacities were assessed during the preparation phase through a series of meetings held at the MEF with the Directorate of Budget, the Secretariat General and involved departments of the MoI, the General Inspectorate of Finance, *Inspection Générale des Finances* (IGF)/IGAT, and partner ministries managing EEPs. The

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<sup>21</sup> The reports provided an evaluation of Morocco's main identification programs. The instrument used was the recent social protection assessment tool - identification module, developed by the World Bank, UNICEF and ILO. This evaluation resulted in the Morocco Country Report "Delivery Systems Assessment - Identification Module." Also, an evaluation of targeting performance of RAMED and Tayssir was conducted in close collaboration between the World Bank and the ONDH from November 2014 to April 2015.

<sup>22</sup> COSMOS: World Bank's cluster for Communication, Social Marketing and Outreach.

experience of the World Bank in Morocco and the main findings of the Public Expenditure and Financial Accounting (PEFA) 2016 indicate that Morocco's public finance system is governed by an elaborate legal and regulatory framework.

71. The MoI will be responsible for FM and reporting, using systems and procedures acceptable to the World Bank. An evaluation of the FM system in place at the MoI was conducted to determine if it meets the World Bank's minimum requirements for project management as stipulated in the World Bank policy for investment project financing (OP/BP 10.00). The financial evaluation covered the areas of accounting, FM, reporting, and audit for the project. The evaluation concluded that the FM system, including devices required to meet the financial monitoring of project needs, meets the minimum requirements of the World Bank. The FMS in place in the MoI is based on principles and procedures defined by the legal framework applicable to the public sector, and particularly to Government institutions in Morocco.

72. The Directorate of Administrative Affairs (*Direction des Affaires Administratives –DAA*) of the MoI, which will be responsible for the financial management of the project and will produce reports with the support of a FM specialist that will be recruited for that purpose. The DAA, within the MoI, is experienced in managing World Bank-financed projects such as the PACT. The Budget and Accounting Division (*Division du Budget et de la Comptabilité - DBC*), within the DAA, has a well-developed manual for budgets and accounts and which describes budgetary procedures and approval cycles of expenditures. The "General Treasury of the Kingdom" at the MEF developed an Integrated Expenditure Management System (GID) (*Système de Gestion Intégrée des Dépenses*), applicable to public administrations, for integrated budget management. This system is used by the MoI to manage and track their budget. The monitoring system GID will thus enable the preparation of project's annual financial statements that will be submitted to the auditor.

73. For sub-components 1.1, 2.1, and Component 3, Unaudited Interim Financial Reports (UIFR) will be prepared each semester to reflect all cash flow transactions and disbursements. Each UIFR will be based on information extracted from GID and updates on procurement and budget execution of the Project by the relevant services of the DAA and submitted to the World Bank no later than 45 days after the end of each semester.

**Table 6: Sub-components 1.1, 2.1, and Component 3**

<b>Components</b>	<b>Description</b>	<b>Amount (US\$ million)</b>
Sub-component 1.1	Design and Development of the NPR Systems	7.0
Sub-component 2.1	Design and Development of the SR Systems	20.0
Component 3	Project Management, Capacity Building, and Monitoring and Evaluation	4.75
<b>Total</b>		<b>31.75</b>

74. The IUFRR would include BERs prepared by the EEPs. For components 1.2, 1.3, 2.2 and 2.3, the funds will be disbursed conditional on the satisfactory achievement of DLIs, which will be applied against reimbursement of expenditures incurred in the EEPs.

**Table 7: Sub-components 1.2, 1.3, 2.2, 2.3**

Sub-components	Description	(US\$ million)	DLIs
Sub-component 1.2	Attribution of a UIN to the population in the Project Area	24	<b>DLI No. 1:</b> Number of newborns attributed a UIN at civil registration in the Project Area <b>DLI No. 2:</b> Population (six years old and above) for which a UIN has been attributed in the Project Area
Sub-component 1.3	Establishment and operationalization of the NPR, the UIN, and the NIA	14	<b>DLI No. 3:</b> NPR, UIN and NIA established and operational
Sub-component 2.2	Establishment of the legal framework (laws and regulations) for the SR to become a functional unique entry point for SSNs	11	<b>DLI No. 4:</b> SR legally established and operational to become a functional entry point for SSNs
Sub-component 2.3	Transition of RAMED, Tayssir, DAAM programs' beneficiaries into the SR in the Project Area	19	<b>DLI No. 5:</b> Share of new applicants to RAMED, DAAM, and Tayssir programs registered in the SR
<b>Total</b>		<b>68</b>	

### Eligible Expenditure Program

75. An evaluation of the budget lines of the RAMED, Tayssir, and DAAM transfers concluded that two of the three programs qualify for World Bank financing and for inclusion in the project's EEP<sup>23</sup>. These two programs include: (a) the Tayssir CCT program, an education CCT which benefitted around 833,000 children in 2015 from poor families in selected regions; and (b) the DAAM CCT, a program that provides direct CTs to widows in difficult socio-economic situation taking care of orphans. These two budget programs consist of CTs to the population and thus do not include any procurable items. Moreover, both programs are significantly larger than the expected amounts to be disbursed by the project. Even in the year when disbursements are expected to be the highest (i.e. US\$20 million in year 2017), disbursements would only be equivalent to 30.7 percent of the EEP (Table 8).

**Table 8: Project's EEP (US\$ million)**

	2014	2015	2016	2017	2018	2019	2020	2021
Total lines of EEP programs	50.0	69.6	65.0	65.0	65.0	65.0	65.0	65.0
DAAM (CT)*	-	19.6	15.0	15.0	15.0	15.0	15.0	15.0
Tayssir (CT)*	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Project Disbursement (forecasts)	-	-	0	20.0	16.0	13.0	12.0	7.0
Disbursements as % the EEP	-	-	0	30.7	24.6	20.0	18.4	10.7
Disbursements as % of program expenditure:								
DAAM	-	-	0	133.0	106.6	86.6	80.0	46.6
Tayssir	-	-	0	40.0	32.0	26.0	24.0	14.0

\*2014-2016 reflect payments made to Tayssir and DAAM Programs.

\*\* 2017-2021 reflect budget provisions (programmed expenditures) for both programs (Tayssir and DAAM).

<sup>23</sup> As RAMED does not ensure traceability of program funds to beneficiaries, it was not included in the EEP.

76. The two CT programs included in the EEP (Tayssir and DAAM) have suitable internal controls. Their management units, in coordination with central and country branches monitoring these programs, prepare regular reports before and after receipt of transfers, providing information on the project monitoring and on progress made in various activities (applications, payments, case management, etc.) (See more details in Annex 3). These reports quantify and seek remedies for irregularities detected in the implementation of the program, such as errors. Any deviation is detected in time to introduce the relevant corrective measures to avoid over or under payments to beneficiaries. The control processes ensure traceability of transfers to beneficiaries through reporting and monitoring mechanisms, and are subject to oversight and controls by the control bodies and line ministries. The two programs, thus, meet the fiduciary criteria for inclusion into the project's EEP and their expenditures are eligible for reimbursement by the World Bank under the project.

77. Risks of insufficient coordination between the DAA, other departments of the MoI, and partner ministries who will be benefitting from goods and services to be procured by the MoI as the Budget Authority were identified. Furthermore, the results-based nature of the proposed project would rely on the timely production of BERs from EEPs as documentation and evidence of achievement of the DLIs in a timely manner. A potential risk is the lack of timely or sufficient information for such purposes. In addition, the review of the Moroccan Association in Support to School Education (*Association Marocaine d'Appui à la Scolarisation* - AMAS) audit reports and financial statements to 2014 revealed that program arrears exist and are yet to be paid. The following actions will be taken to mitigate these risks:

- a) Risks associated with MoI: (i) building capacity of MoI's current administrative and financial staff on FM and disbursements; (ii) timely preparation and adoption of a POM acceptable to the World Bank; (iii) recruitment of a dedicated Financial Officer, to support the DAA and the PMU coordinator; and (iv) timely program budget allocation for the project to cover program expenses.
- b) Risks associated with Ministers involved and EEPs: (i) signing of Inter-ministerial agreements for the NPR and SR (established by the MoI on September 16, 2016, and December 1, 2016, respectively) defining clear operational, fiduciary and financial responsibilities of each ministry; (ii) Tayssir will submit audit reports of AMAS financial statements for the period 2015-2016, no later than June 30, 2017, to inform the situation on arrears and provide clarity on the recommendations to be implemented by AMAS; and (iii) including in the POM the appropriate sources of information and reporting requirements for each DLI.

78. The MoI shall have its Financial Statements for the project audited by the IGF, in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each period shall be furnished to the World Bank not later than six months after the end of such period. The TOR for the audit will be reviewed and validated by the World Bank.

79. **Flow of funds.** Flow of funds between the World Bank and the MoI will follow World Bank disbursement procedures. The funds will be fully integrated into the State's General Budget (*Budget Général de l'Etat* - BGE) and will be transferred to the single treasury account of the state to the central bank (Bank Al-Maghrib). The flow of funds mechanism within the framework of

this project was discussed with the MEF Budget Department to ensure that project’s procured activities are identifiable and have equipped budget lines within the MoI’s Budget for the investment component.

80. **Action Plan.** The following actions have been agreed with the Borrower.

<b>Actions to be undertaken</b>	<b>When</b>	<b>Status of Action</b>
The Borrower has adopted the POM, in form and substance satisfactory to the Bank.	Effectiveness	Not yet due
The Project Management Unit shall recruit an FM specialist, a monitoring and evaluation specialist, a legal specialist, and a procurement specialist, in compliance with the provisions of Section III.C of Schedule 2 to the Loan Agreement.	Dated covenant – no later than (2) months after the Effective Date	Not yet due
The Borrower shall establish the SR Technical Committee with TOR and composition satisfactory to the World Bank.	Dated covenant – no later than (2) months after the Effective Date	Not yet due

#### **D. Procurement**

81. Procurement of goods and non-consulting services shall be carried out in accordance with the World Bank’s ‘Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers’, dated January 2011 (revised July 2014). Selection of consultants shall be carried out in accordance with the World Bank’s ‘Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers’, dated January 2011 (revised July 2014). ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006, and updated in January 2011 (Anti-Corruption Guidelines), shall apply to the project.

82. Procurement under the project will mostly be for contracting information systems, their design and hardware, as well as the selection of consultants for technical assistance and services, acquisition of goods and services (other than consultant services) related to project management, organization of continued consultations with stakeholders, particularly the ministries involved in the project and capacity-building events. Consultant services will include, among others, the preparation and management of the project; initial studies to assist with the development of an NPR with a UIN and the development of the SR, in addition to support for project management (procurement and FM). Procurement of goods and services will entail software and hardware, including M&E systems and equipment for project management. Non-consulting services are mainly related to training and workshops. Once the initial PP is finalized, all contracts will be entered into the new the World Bank procurement electronic tracking system, the Systematic Tracking of Exchanges in Procurement (STEP). This system is intended to help the Borrower manage and monitor World Bank-financed contracts and is mandatory for all new projects. The Borrower’s project team will receive the required training.

83. The Procurement Division (*Direction des Affaires Administratives et du Personnel-DAAP*) within the DAA of the MoI will be responsible, together with the other concerned units and departments, for planning and carrying out procurement activities. A capacity assessment of the DAAP was conducted on December 17, 2015, based on the ongoing PACT project and the previous National Initiative for Human Development program (*Initiative Nationale pour le*

*Développement Humain - INDH1*). Overall, the assessment concluded that the DAAP has acquired experience in implementing World Bank-financed projects and in working with donors (for example, the EU, the French and Spanish cooperation, to name a few) for operations implemented using national procurement procedures. It is also well structured to carry out procurement functions and is staffed with experienced procurement officers. In addition, for procurement execution and monitoring, the DAAP relies on simplified Microsoft Excel-based electronic tools, which facilitate both procurement processes and contracts management. Yet, although the staff are experienced in using World Bank procedures for simple procurement of goods, non-consulting services and selection of consultants, they lack experience in procuring complex IT systems (supply and installation of systems and selection of consultants). Therefore, a procurement specialist and a procurement consultant will be recruited to enhance the capacity of the DAAP.

84. **The overall risk for procurement is considered Substantial.** This is a result of: (a) the limited experience of the DAA in complex procurement and selection of consultants using World Bank procedures; and (b) the great amount of coordination needed between the DAA and other departments of the MoI and partner ministries who will be benefitting from goods and services to be procured by the MoI as the Budget Authority. To help better mitigate the risk and facilitate the project implementation, the following measures are recommended: (a) recruitment of a procurement specialist to help carry out procurement and build capacities within the DAAP; (b) extensive training in procurement of all staff involved in project implementation and other ministries of focal points such as the MoH, MoSWFSD, and MNEVT; (c) monitoring of each department's action on the PP to avoid delays; and (d) preparation of Standard Bidding Documents (SBDs) for National Competitive Bidding (NCB), complying with procedures for NCB acceptable to World Bank (more details are provided in Annex 3).

## **E. Social Safeguards**

85. The project aims to improve the delivery of SSN programs by preparing: (a) the NPR with the UIN; and (b) the SR. The establishment of these systems will help the Government achieve the objective of better assessing the identity and socio-economic characteristics of households to improve the targeting and efficiency of flagship SSN programs (RAMED, Tayssir, and DAAM). Clearer assessment and better targeting should reduce capture by elites and wealthier households of social service benefits and improve access to poorer and needier segments of the populations, for example, by giving access to social services to rural populations.

86. The activities under Components 1 and 2 will primarily consist of the development of processes and institutions around foundational information systems covering a large share of the population. The project does not involve civil works but encompasses skills, policy, legal, regulatory, and institution-building activities. The project will support the development of a data center; however, these activities will not include construction. The project does not present social risks that will trigger OP 4.10 - Indigenous Peoples or OP 4.12 - Involuntary Resettlement.

87. While no social safeguards are triggered, a grievance redress system will be put in place by the GoM at the local and national levels and will include provisions to address citizens' queries and complaints about the SR within a binding timeframe. In addition, while the project's focus is mainly on setting up the SR information system, and will therefore not finance the three selected programs (RAMED, DAMM, and Tayssir) nor define their eligibility criteria, a social analysis will be completed early to mid-implementation of the project and would potentially focus on the following areas:

- Expected project benefits for different segments of the population, especially the poorest and vulnerable women, including residents of peri-urban and rural areas.
- Current supply (institutional requirements, waiting time) and demand-side barriers (income, physical access, literacy, gender-specific barriers if applicable) for Moroccan citizens to access official personal identification and registration in selected SSN programs.
- Citizens' access to information with regard to personal official identification requirements and registration procedures for enrollments in selected SSN programs: existing avenues and inclusive nature.
- Citizens' access to the grievance management system in civil registry processes, in selected SSN programs: existing uptake locations and channels, processing and grievance resolution mechanisms.

88. A communications campaign will be rolled out in order to introduce citizens to the SR, as the register will become the entry point for registration (and renewals) for all individuals and households who wish to become (or to be reconfirmed) as beneficiaries of the RAMED, the Tayssir, and the DAAM programs. This communication campaign, which will be accompanied by a US\$1 million allocation for advisory services (sub-component 2.1), is expected to be conducted in three phases as follows:

- *Phase 1: Consultations with main stakeholders.* This phase will focus on understanding stakeholders perceptions (especially of current beneficiaries and local administrators of the involved programs) of using the SR as an entry point for RAMED, Tayssir, and DAAM. The consultations aim to identify, if the change in systems may create any resistance within system users and operators, and explore options to minimize such resistance (if any). This phase will be undertaken in CY2017.
- *Phase 2: Design of the communications campaign.* This phase will develop a branding for the SR (logo, slogan) and design a communications campaign for the roll-out of the SR. The campaign will cover four main aspects: (i) promote a favorable buy-out of the population of the new system; (ii) identify the main messages to be transmitted to citizens and administrators; (iii) identify the communication channels to be used; and (iv) identify how the success (or failure) of the campaign will be measured. The campaign will be gender sensitive (to ensure proper reach to women, especially of female-headed households) and to reach vulnerable segments of the population (such as illiterate population, notably women, in remote areas). This phase will be undertaken in CY2018.
- *Phase 3: Launch and Implementation.* The implementation of communication campaigns will accompany the roll-out of the social registry and the process of outreach and registration of individuals in poor-isolated areas who are currently not benefiting from RAMED, Tayssir, and DAAM (sub-component 2.1). This phase will be launched early in CY2019 and will continue for the duration of the project.

## **F. Environment (Including Safeguards)**

89. The proposed activities will not have an impact on the country's environment, forests, and other natural resources and will not finance the building or the rehabilitation of facilities. Consequently, the proposed environmental category of the project is C.

## **G. World Bank Grievance Redress**

90. Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS). Complaints can also be submitted to the World Bank's GRS. The GRS will ensure that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention and World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

91. Morocco has a number of institutions responsible for grievance handling and resolution. The available national GRS mechanisms and institutions have been recently elevated to constitutional bodies to provide them with more independence and financial autonomy, necessary to validate their power of self-referral. The World Bank's GRS mechanism does not affect the efficiency of the Moroccan complaints and resolution system.



## Annex 1: Results Framework and Monitoring

**Country: Morocco**

**Project Name: Identity and Targeting Systems for Social Protection Project (P155198)**

### Results Framework

<b>Project Development Objectives</b>											
PDO Statement											
The objective of the Project is to expand coverage of a unique identifying number for the Moroccan population and foreign residents, and to improve targeting of Social Safety Nets in the Project Area.											
<b>These results are at</b>						Project Level					
<b>Project Development Objective Indicators</b>											
Indicator Name	Baseline	Cumulative Target Values									
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	End Target
Number of newborns for whom a UIN has been attributed through civil registration in the project area (of which at least 45percent are female) (Number) (Thousand)	0.00	0.00	47.00	113.00	206.00	266.00					266.00
Population (six years old and above) for which a UIN has been attributed in the project area (of which at least 45percent are female) (Number) (Million)	0.00	0.00	0.00	19.00	25.00	26.00					26.00
Share of beneficiaries of the RAMED, Tayssir, and DAAM programs registered in the Social Register (SR) and who are in the first consumption quintile in the project area (of which at least 40percent are female) (Percentage)	0.00	0.00	0.00	0.00	65.00	65.00					65.00

<b>Intermediate Results Indicators</b>											
Indicator Name	Baseline	Cumulative Target Values									
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	End Target
Direct Project beneficiaries, of which 45 percent are female (Number) (Thousand)	0.00	0.00	47.00	19,113	25,206	26,266					26,266
Number of beneficiaries of RAMED, Tayssir, and DAAM (Number) (Million)	9.3	9.3	9.3	9.3	9.3	9.3					9.3
Share of civil registry office ( <i>Bureaux d'état civil</i> , BEC) connected to a UIN generator (Percentage)	0.00	5.00	10.00	15.00	20.00	25.00					25.00
Share of new individuals registered in year t (MASSAR, CNIE and Register of foreign residents) are communicated electronically to the NPR and attributed a UIN (of which at least 40 percent are female) (Percentage)	0.00	0.00	0.00	70.00	80.00	85.00					85.00
Share of new applicants to RAMED, DAAM, and Tayssir programs registered in the SR (Percentage)	0.00	0.00	0.00	40.00	80.00	100.00					100.00
Share of beneficiaries of RAMED/DAAM in SR (Percentage)	0.00	0.00	0.00	4.00	36.00	68.00					68.00
Share of beneficiaries of Tayssir in the SR (Percentage)	0.00	0.00	0.00	4.00	10.00	20.00					20.00
Number of programs/services that have included the UIN in their MIS (Number)	0.00	0.00	0.00	1.00	2.00	3.00					3.00
Share of claims and grievances of SR beneficiaries documented, processed, and resolved within 30 days (Percentage)	0.00	0.00	0.00	85.00	95.00	100.00					100.00
Survey on a random sample beneficiaries of Tayssir, DAAM, and RAMED	No	-	Yes	-	-	Yes					

Operational audit conducted	No	-	-	-	SR Project	NPR Project					
Capacity building	No	Legal team established	Study tour organized to learn about best practices (Targeting and/or Identification)	-	Communications team established						

### Indicator Description

<b>Project Development Objective Indicators</b>				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Number of newborns for whom a UIN has been attributed through civil registration in the project area (of which at least 45 percent are female)	Number of newborns who were attributed a UIN and had it printed on their birth certificate in year <i>t</i> in the project area. Indicator disaggregated by gender	Annual	NPR's MIS and Civil Registry central repository	PMU: Number of newborns who were attributed a UIN in the systems
Population (six years old and above) for which a UIN has been attributed in the project area (of which at least 45 percent are female)	Number of individuals (six years old and above) who were attributed a UIN in the NPR in year <i>t</i> in the project area. Indicator disaggregated by gender	Annual	NPR's MIS	PMU: Number of individuals who were attributed a UIN in the NPR
Share of beneficiaries of the RAMED, Tayssir, and DAAM programs registered in the Social Register (SR) and who are in the first consumption quintile in the Project Area (of which at least 40 percent are female)	Numerator: Number of individuals in the SR who are beneficiaries of the RAMED, Tayssir, or DAAM I the first quintile of consumption in year <i>t</i> in the project area. Denominator: Total number of individuals in the SR that are beneficiaries of the RAMED, Tayssir, or DAAM in year <i>t</i> in the project area. Indicator disaggregated by gender	Annual	Estimates will be based on the survey on a representative sample of beneficiaries in the SR	PMU
Direct Project beneficiaries, of which 45 percent are female	Number of individuals with a UIN and number of individuals in the SR in the Project Area. Indicator disaggregated by gender	Annual	NPR's and SR's MIS	PMU/technical teams

<b>Intermediate Results Indicators</b>				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Number of beneficiaries of RAMED, Tayssir, and DAAM in the project area	Number of beneficiaries of RAMED, Tayssir, and DAAM in the project area	Annual	SR's MIS and administrative data from MoH/MoSWFSD/MNEVT	PMU/technical teams
Share of civil registry office ( <i>Bureaux d'Etat Civil</i> , BEC) connected to a UIN generator	Numerator: Number of civil registry offices (BECs) connected to a UIN generator in year t in the project area Denominator: Total BECs in year t in the project area	Annual	Civil registry, DGCL, DSIC	PMU/technical teams
Share of new individuals registered in year t (MASSAR, CNIE and Register of foreign residents) are communicated electronically to the NPR and attributed a UIN (of which at least 40 percent are female)	Numerator: Number of new individuals registered in MASSAR, CNIE and Register of foreign residents that are in the NPR in year t in the project area  Denominator: Total number of new individuals registered in MASSAR, CNIE and Register of foreign residents in year t in the project area. Indicator disaggregated by gender.	Annual	NPR's MIS and MIS of MASSAR, CNIE, and register of foreign residents	PMU/technical teams
Share of new applicants to RAMED, DAAM, and Tayssir programs registered in the SR	Numerator: Number of new RAMED/DAAM beneficiaries in the SR at year t in the Project Area  Denominator: Total number of RAMED/DAAM beneficiaries at year t in the Project Area	Annual	SR's MIS and available administrative data	PMU (numerator) MoH/MoSWFSD (denominator)
Share of beneficiaries of RAMED/DAAM in the SR	Numerator: Number of RAMED/DAAM beneficiaries in the SR in the project area  Denominator: Total number of RAMED/DAAM beneficiaries in the project area	Annual	SR's MIS and available administrative data	PMU (numerator) MoH/MoSWFSD (denominator)

Share of beneficiaries of Tayssir in the SR	Numerator: Number of Taysir beneficiaries in the SR in the project area. Denominator: Total number of Taysir beneficiaries (to be provided by MNEVT) in the project area	Annual	SR's MIS and available administrative data	PMU (numerator); MNEVT (denominator)
Number of programs/services that have included the UIN in their MIS	Number of programs/services that have integrated a UIN field in their MIS and have filled this field with the UIN communicated by the NPR	Annual	To be documented by the PMU	PMU/technical teams
Share of claims and grievances of SR beneficiaries documented, processed, and resolved within 30 days	Claims and grievances of SR beneficiaries documented, processed and resolved within 30 days/Total number of claims and grievances filed)*100	Annual	Progress report/photos/supervision mission	PMU/technical teams of the SR
Survey on a random sample beneficiaries of Tayssir, DAAM, and RAMED	Roll out of a survey on a random sample of SSN beneficiaries	Reference year	Implementation of a representative household survey with a consumption module	PMU/Technical teams
Operational audit conducted	Audit to assess the proper functioning of the selected project (ICTs and processes)	Reference year	NPR project managers, implementation teams, and information systems.	IGAT
Capacity building	Study tour organized to learn about best practices (Targeting and/or Identification	Annual	To be documented by the PMU	PMU/ supervision missions

## **Annex 2: Detailed Project Description**

### **MOROCCO: Identity and Targeting for Social Protection Project**

1. The objective of the Project is to expand coverage of a unique identifying number for the Moroccan population and foreign residents, and to improve targeting of SSNs in the Project Area. By attaining these objectives, the project will lay important foundations to improve governance and effectiveness of social service delivery and to develop a more integrated and efficient system to allocate social transfers.

2. The project has three components and will be implemented using IPF with a results-based financing modality. It will finance the purchase of goods and services and will disburse against eligible expenditures for activities set out in the project's PP. The results-based financing modality will apply to some activities in Components 1 and 2 and will reimburse EEPs conditioned on satisfactory achievement of DLIs.

#### **A. Project Components**

3. The project will consist of three components; (a) Design and Development of a National Population Register (NPR) with a Unique Identifying Number (UIN), and establishment of a National Identity Agency (NIA); (b) Design and Development and of a Social Register (SR); and (c) Project Management, Capacity Building, and Monitoring and Evaluation.

#### **Component 1: Design and Development of a National Population Register (NPR) with a Unique Identifying Number (UIN), and Establishment of a National Identity Agency (NIA) (US\$45 million)**

4. This component provides technical and financial support to the Government of Morocco to: (i) develop and update the NPR systems (architecture, software, hardware, interoperability protocols, data collection/update, data quality, and the integration of the UIN into the MIS of selected social programs/services) (sub-component 1.1); (ii) attribute a UIN to the population (sub-component 1.2); and (iii) establish and operationalize the NPR, the UIN and the NIA (sub-component 1.3).

5. Activities under sub-component 1.1 will be implemented with disbursements against eligible expenditures for specific activities set out in the project's PP. Activities under sub-components 1.2 and 1.3 will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs. Each DLI will trigger disbursement milestones where the DLRs have been technically achieved according to a verification protocol. Disbursements made under sub-components 1.2 and 1.3 will reimburse for expenditures made in the Project's EEP as described in the FM section. All procurable activities under this component, whether or not linked to the DLIs (or the EEP) will be subject to the World Bank procurement guidelines.

## Definitions and Methodology

6. The NPR is a national database of basic information about the population, with no restrictions on age or nationality of the people residing in the country. Each entry in the registry:

- represents an individual who has the right to reside in the country (a citizen/foreigner);
- is a single person (that is, it is recorded only once in the database);
- has a UIN;<sup>24</sup> and
- has a set of attributes or characteristics according to the agreed-upon data architecture model.

7. In its purest form, the NPR contains identifiers that are stable in time (such as the person's full name, UIN, parents, place of birth, date of birth, gender, and biometric identifiers or other mechanisms to attest the uniqueness of a person to whom a UIN is assigned). Attributes recorded in the NPR are unchangeable except to correct errors or through legal proceedings (that is, through court judgment when someone is changing name and so on.). Normally, individuals enter in the register at birth or when they immigrate to the country. Individuals exit the register at death or, as foreigners, when they emigrate from the country.<sup>25</sup>

8. Morocco does not currently have an NPR; consequently, the country has a fragmented identity ecosystem characterized by a proliferation of identification numbers. For the most part, programs and services (health, education, social protection, taxes, and so on) have resorted to creating their own number. As a consequence, these systems are not interoperable, do not follow the same logic or standards, and have important data quality issues. For the most part, there are no real-time links across these repositories. The current ecosystem increases administrative costs and makes it complex for individuals, especially for minors, to repeatedly prove their identity to assert their rights, privileges, and eligibility for available social programs and services.

9. During a first phase, the NPR will remain as the administrative/back office and will serve: (a) to ensure interoperability across different information systems of social programs and services; and (b) improve the identification of the minor population. In the medium term, the NPR will facilitate the provisioning of the identity authentication service across the different Government systems. At that stage, the NPR could become a dynamic identification system that will address the limitations of existing identification systems in Morocco with the potential to become a central building block in the provision of services (public and private) that require identify authentication.

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<sup>24</sup> Based on preliminary technical discussions, the UIN will be composed of 10 random numbers that are neither coded nor sequential and 2-digit control key. This option will give space for 10 billion numbers, a sufficient amount to be able to generate unique numbers with a very low risk of duplicates and/or saturation.

<sup>25</sup> Based on preliminary technical discussions, the following attributes are being considered for the NPR in Morocco: the person's UIN, name (Arabic and French), date and place of birth, date and place of death, gender (M/F), country of origin, the UIN of the father and mother (for establishing family links), email (optional), and mobile number (optional). The Government is also considering to further explore the possibility of including biometric information (for example, photo, fingerprints, and iris pattern), which will be used for robust identity verification and data deduplication and eventually for providing identity authentication services.



## Sub-component 1.1: Design and Development of the NPR Systems (US\$7 Million)

10. This component will mainly finance acquisition of goods and provision of advisory services for the following activities in the Project Area: (i) design and development of the NPR systems, including acquisition of computer hardware and software; (ii) attribution of a UIN to the Moroccan population and foreign residents, including verification of the reliability of data and initial data uploading; (iii) technical updating of the existing information systems which will feed the NPR; (iv) preparation of the legal framework (laws and regulations) for the NPR; and (v) building institutional capacity to implement the NPR. The activities to be carried out in the Project Area and to be financed under this sub-component are as follows (see Table 1 for a summary of the activities and Table 1 for a detailed activity costing).

**Table 1. Activities to be Financed in Component 1.1 (US\$ million)**

• Design and development of the NPR systems, including acquisition of computer hardware and software	5.10
• Attribution of a UIN to the Moroccan population and foreign residents, including verification of the reliability of data and initial data uploading	0.40
• Technical update of existing information systems that will feed the NPR	0.36
• Preparation of the legal framework (laws and regulations) for the NPR	0.50
• Building institutional capacity to implement the NPR	0.64
<b>Total</b>	<b>7.00</b>

11. **System design.** This activity includes the design of the data architecture and of the systems and processes to support: (a) the attribution and storage of a UIN for the population, (b) the development of an NPR, and (c) the necessary modules to ensure unicity of information and interoperability with other information systems. The architecture will define the minimum performance and security of the systems to ensure its ability to interact and support various Government services. The cost of the system's design (throughout the lifetime of the project) has been estimated at 400 workdays and will be conducted in a modular manner using specialized consulting firms.

12. **System development.** This activity will finance necessary hardware and software to develop the system: (a) software acquisition and development; (b) data centers/servers for data exchange, authentication, and synchronization (with data audit capabilities); (c) an enterprise service bus software with public key infrastructure; (d) independent testing (to assess the reliability of the data and to ensure data deduplication); and (e) development of 'seeding' protocols, hardware, and software to exchange the UIN with other information systems of selected social programs/services. The cost of the system's development (throughout the lifetime of the project) has been estimated at 700 workdays (software development only). Hardware costs have been estimated separately (see Table 5).<sup>26</sup>

<sup>26</sup> Based on industry benchmarks for Morocco ICT projects (provided by the DSIC), the expected cost of a workday for system design is approximately US\$1,000 dollars and for system development is approximately US\$2,860.

13. **Deduplication, verification of data reliability, and initial data loading.** This activity will finance the initial data upload of the NPR using the database of the CNIE (required for the population 18 years old and above); the register of resident foreigners in Morocco; the civil register (in electronic form) for newborns; and the MASSAR dataset. To ensure the quality and unicity of the records included in the NPR, processes must be developed to ensure data deduplication and the reliability of the information contained. As such, the activity will support the development of applications to automate information load and testing (several times) and to ensure data deduplication and to check the quality of the information using statistical sampling methods (between 2 percent and 5 percent of the population). This activity will also incorporate the motor for the generation of the UIN and deduplication modules. The cost of this activity is estimated at 400 days (design and development).

14. **Technical update of existing information systems that will feed the NPR.** This activity will finance all modifications that will need to be introduced to ensure the synchronization and the interoperability between the NPR and the systems and the databases that will feed the NPR (that is, the CNIE, MASSAR, migration, and civil register) are adapted for the initial and ongoing data exchanges and interoperability. The cost of this activity is estimated at 360 workdays (design and development) (120 days per system).

15. **Development of legal frameworks (laws and regulations).** The activity will finance the development of institutional arrangements and legal and regulatory frameworks necessary to the issuance of the UIN and its format; protocols for data collection, exchange, and use; data storage; data privacy; and the institutional frameworks (laws and regulations) for the establishment of a NIA. This activity will also finance the acquisition of goods and advisory services the entity that will take the role of the agency during the lifespan of the project (for example, software, staff training, and staff recruitment) and for the development of its institutional framework and various operational manuals.

16. **Institutional capacity building.** The project will finance advisory services to support the Government with specialized technical assistance to develop the national capacity to implement the proposed system (including training, study of international best practices, and Technical Assistance for specialized activities).

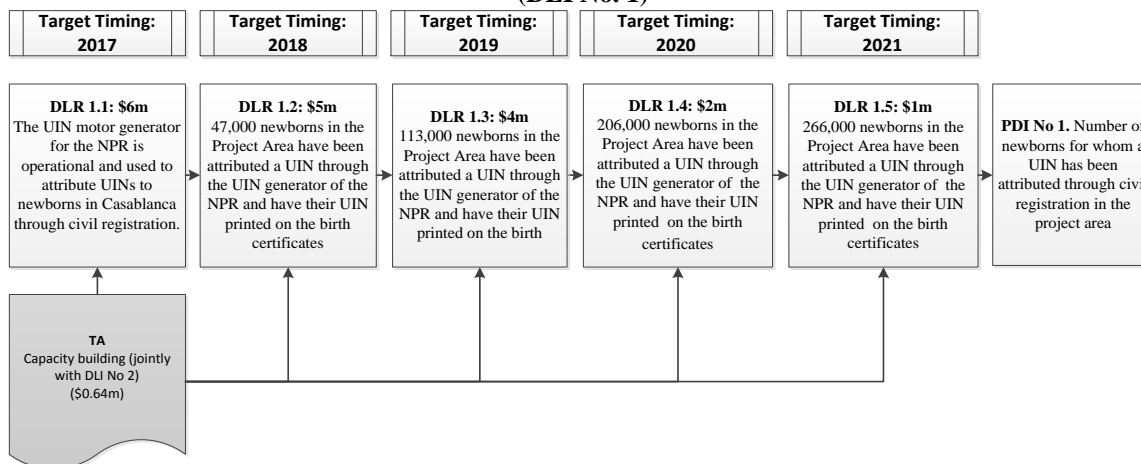
### **Sub-component 1.2: Attribution of a UIN to the Population in the Project Area (US\$24 million)**

17. **DLI No. 1: Number of newborns attributed a UIN at civil registration in the Project Area.** Activities under this sub-component will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs (Table 2). This sub-component will support the Government's efforts to modernize civil registration by equipping BECs with the infrastructure necessary to issue birth and death certificates electronically. Civil registration in Morocco is managed by the DGCL, a general directorate within the MoI. The system is highly decentralized, with approximately 2,200 BECs distributed throughout the country. The majority of the BECs do not possess connected computer systems. They do, however, possess paper registers, one for births and one for deaths. Lack of a consolidated database of the civil register

and electronic database of the civil register diminishes its capacity to be used to access and verify identity. Today, the civil register contains what is estimated to be 45 million birth records.

18. The modernization of civil registration is a key condition for the development and the update of the NPR as it will guarantee the continuous seeding of new entrants and exits (births and death) into the database. It is currently being deployed in Casablanca, on a pilot basis. The national roll out is expected to take more than 10 years, as there are more than 2,200 BECs nationwide; some of which are located in very isolated areas and require important investments in overall infrastructure (beyond the needs of new hardware and software). The project envisions developing an electronic civil register repository for all newborns, which will become a main data feeder for the NPR. The Government’s goal is that, by 2021, about 40 percent of all new births in Morocco (corresponding to those in the main urban centers) will be attributed a UIN, which will be printed on their birth certificates and communicated electronically to the NPR (see Figure 1). Achievement of this DLI should be attained within the project area.

**Figure 1: Number of Newborns attributed a UIN at Civil Registration in the Project Area (DLI No. 1)**



Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

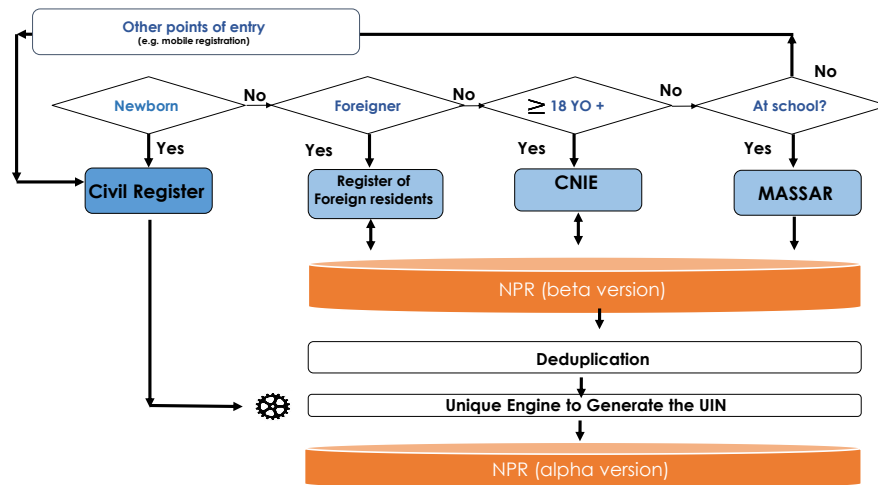
19. **DLI No. 2: Population (six years old and above) for which a UIN has been attributed in the Project Area.** Activities under this result chain will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs (Table 2). This subcomponent will support the Government plan to build its NPR through the federation of its four main identity programs: (a) the database of the CNIE, which covers almost the entire adult population (18 years old and above); (b) the civil register (in electronic form) for newborns; (c) MASSAR which covers about 95 percent of the population ages 6–18; and (d) the register of foreign residents in Morocco managed by the DGSN.<sup>27</sup> The consolidation of these databases will be used to produce a first NPR covering about 85 percent of the total population resident in Morocco (see Figure 2). A UIN will be attributed to individuals included in the NPR after ensuring the reliability of the data and the uniqueness of each individual in the repository. Initially, the UIN will be communicated to newborns through civil registration (it will be printed on the birth certificate of newborns) and to beneficiaries/applicants of social services and programs using the SR as a point of entry. During the life of the project, the UIN will also be seeded in a selected

<sup>27</sup> See World Bank (2015) for a detailed description of these identity programs.

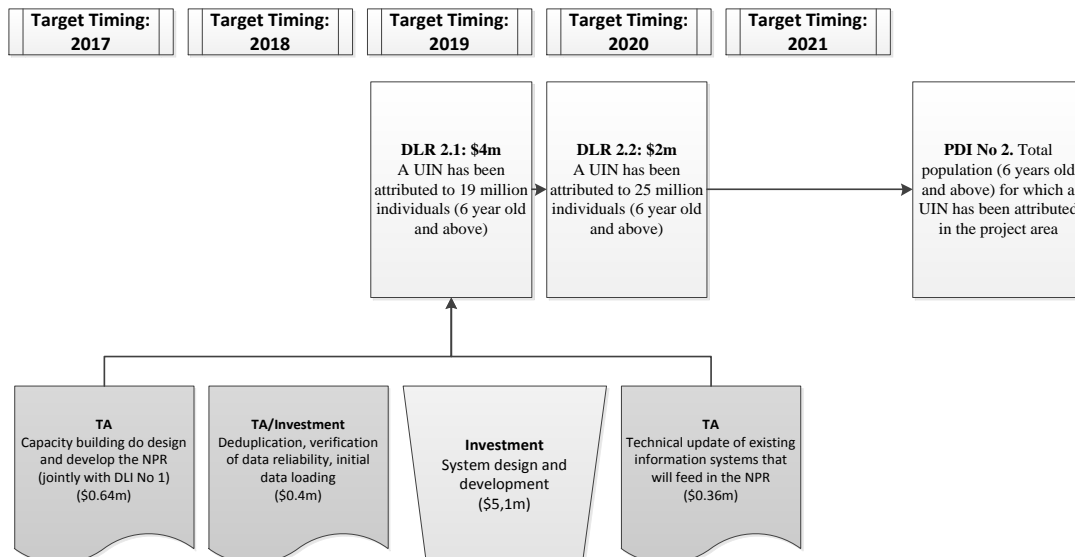
number of information systems of social programs/services to ensure interoperability across these systems (see Figure 3). Achievement of this DLI should be attained within the project area.

20. To keep the NPR updated, the project will also support the Government to ensure that data feeders (i.e. the CNIE, the MASSAR and the register of foreign residents) report new entrants into the databases on a yearly basis. By doing so, after six years of operation, the NPR will also include the population between 0 and six years old as it will be captured as children enter into the school system. The remainder of the population (generally children not in school and adults living in remote areas and who do not have an identity card) will be added to the NPR as they register to the SR or through additional more focused efforts, such as mobile registration campaigns.

**Figure 2. Development of the NPR in Morocco**



**Figure 3: Share of the Population (six years old and above) for which a UIN has been attributed in the Project Area (DLI No. 2)**

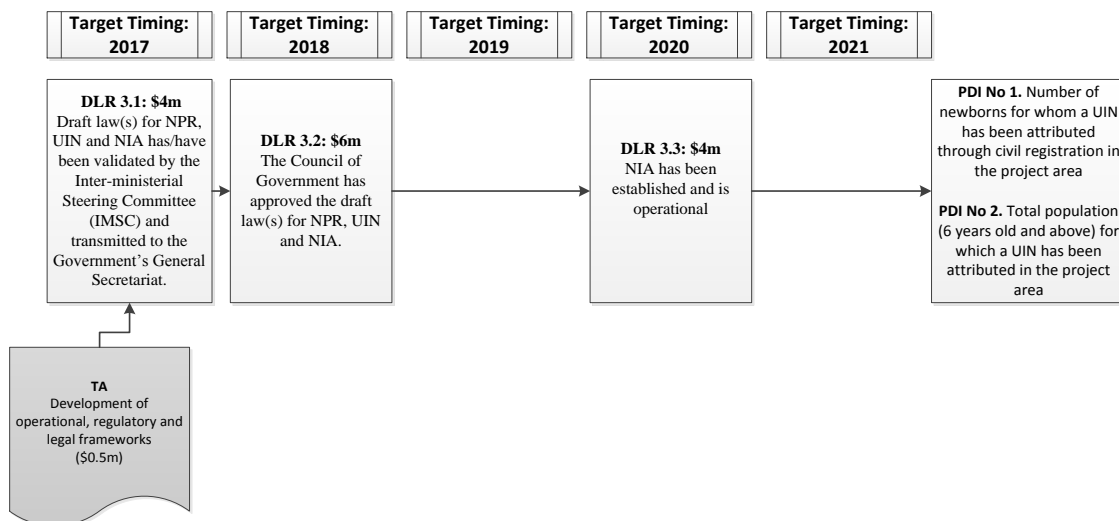


Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

**Sub-component 1.3: Establishment and Operationalization of the NIA, the NPR, and the UIN (US\$14 million)**

21. **DLI No. 3: NPR, UIN and NIA legally established and operational.** This sub-component will support the Government’s efforts to ensure the implementation and operationalization of a National Identity Agency. Identity has become a public good necessary to support service delivery to citizens and is being now recognized as a national asset in many countries around the world. Managing it properly has important implications to a country’s socio-economic development. For achieving such a purpose, it has become a best practice to establish a national body that coordinates all the activities related to identity attribution and verification in a country. The development and the maintenance of the NPR, the attribution of the UIN to the population requires the establishment of a new central institution with a clear mandate to undertake these endeavors. The advantages of these arrangements include the independence and neutrality of the management of the different repositories as well as having an institution that eventually will provide identity attribution and authentication services to the population (a public good). This model requires the agency to be interconnected with data feeders (such as the BECs, the CNIE and MASSAR databases, among others) and develop a new central platform to gather and manage new data flows from different repositories. Best practices show that the core role of the NIA is to store and manage the main foundational national datasets. The agency will need to be properly equipped and have a clear regulatory framework to guide its operations. The potential institutional roles of the NIA are to: (i) collect data from different repositories and establish population enrollment data standards, (ii) store the data in a central repository, (iii) operate back-office systems for identity de-duplication and ensure uniqueness, (iv) protect the consolidated identity information, and (iv) promote the use of the NPR systems through, for example, card issuing or identity authentication services. The sub-component will support the Government to develop a legal framework (laws and regulations) for the agency (as well as or the NPR and the UIN) as well as its implementation until it becomes operational (i.e. equipped with administrative human and financial resources to ensure its operation and having the stewardship of the main national data assets) (see Figure 4).

**Figure 4: NPR, UIN and NIA Legally Established and Operational (DLI No. 3)**



Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

22. In Morocco, the NIA will take the form of an independent agency under the umbrella of the MoI. While the institutional arrangements for NIAs vary from country to country, it is important that such agencies are independent and meet high standards of data management and confidentiality. Based on a recent report assessing identification system in Morocco (World Bank, 2014), the MoI in Morocco is the best suited institution to host the NIA given (i) it already manages the country's the main identify programs (the CNIE and the Civil Register); (ii) it is highly decentralized (it is important that the agency is able to provide, as needed, registration services to the population); and (iii) it already serves as a technical support agency that delivers services to several line ministries (see Box 1).

**Box 1: Institutional Arrangements for NIAs**

Several options exist for the institutional arrangements of the NIA that vary dramatically from country to country. This can be an autonomous body reporting to a cabinet-level minister or to the executive, such in India where the Unique Identity Authority was set up as an organization attached to the Planning Commission of India, reporting into a Chairman who has the stature of a cabinet minister. In Ghana, the National Identification Authority was set up as an organization within the Office of the President.

The NIA can also be an autonomous organization governed by an independent board representing the stakeholders. In Nigeria, the National Identity Management Commission (NIMC) was established as a Commission through an Act with the mandate to establish, own, operate, maintain, and manage the National Identity Database, register persons covered by the Act, assign a Unique National Identification Number (NIN) and issue General Multi-Purpose Cards (GMPC) to those registered individuals, and to harmonize and integrate existing identification databases in Nigeria. It is governed by a board of 18 individuals representing different Government agencies and stakeholders. In Pakistan, the National Database Registration Authority (NADRA) is an independent, constitutionally established institution that manages the country's identity registration database. Finally, the NIA can be a directorate within an existing ministry. This is the case in Indonesia where the Population Administration Directorate is in the Ministry of Home Affairs. In Argentina, the Registro Nacional de las Personas (RENAPER) is a directorate under the MoI.

In choosing a model for the NIA, a first step is to assess the enrollment services and technical capacity of existing Government agencies, such as the Civil Registry, the Ministry of Health, the Ministry of Social Welfare (among others) to enroll the population. Alternatively, if those capacities do not exist, the NIA can also take the role of enrollment agency. In such case, the NIA needs to build a geographical footprint required to achieve total coverage. This requires the establishment and operation of enrollment centers or regional offices in addition to its central head office. This is obviously an expensive endeavor. A hybrid model is also possible, where the NIA captures minimal data needed for its operations, while other Government agencies capture their own data, on a different timescale or lifecycle, and maintain their own databases. These databases are generally interlinked by a UIN.

It is important to emphasize that the NIA needs to represent all the stakeholders of the country as part of a collegial framework for cooperation between all those concerned with identity in the country. As such, its institutional governance needs to reflect that. Usually its Steering Committee is made up of high-level representations of each of the ministries or agencies that have legitimate need for identity management.

The NIA needs to be an institution with provisions for good governance, change management, a sustainable business model, managerial and technical capacity, data protection expertise, strong operational controls, M&E, and long-term operations and maintenance. This NIA should not only demonstrate operational efficiency but should also be resilient to changes in the political environment and territorial competition between the different ministries.

It is important to emphasize that the NIA does not have to be a large institution. It is often a very small organization with limited staff that take on the role of coordination among other agencies and organizations that are the keepers of the identity assets.

**Source:** Digital Identity Toolkit- A guide for stakeholders in Africa (World Bank, 2014) and Delivery Systems Assessment – Identification module, Morocco country office (World Bank, 2014)

23. The NIA will be responsible for ensuring the compliance of national and international benchmarks of data protection and confidentiality. Identity programs, in their very nature, accumulate and aggregate data that is considered private and of sensitive nature. As a consequence, they raise significant concerns related to data protection and the respect of individual privacy rights. If these concerns are not addressed correctly from the outset, they could jeopardize their

success. The project will, from the beginning, ensure that data privacy and protection of personal data are cornerstones for the design and the implementation of the NPR and of the UIN.

24. The Moroccan legislature has proactively worked to establish the legal framework for privacy protection. Today the legal framework is derived from three bodies of law: (i) Law 09-08 as promulgated by Dahir No. 1-09-15 of 2009 and the Executive Order (Décret) 2-09-165 of 2009; (ii) Article 24 of the Moroccan Constitution of 2011; (iii) Preamble to the Constitution. The law 09-08 is an omnibus data protection law that covers all data that can be considered personal or private irrespective of what application it is being used for. The law explicitly incorporates the following internationally recognized principles for protection of personally identifying information (PII):

- The law establishes a privacy commission reporting to the office of the Prime Minister called the National Control Commission for the Protection of Data, (*Caisse National de Contrôle de la Protection des Données à Caractère Personnel - CNDP*).<sup>28</sup>
- The PII should be obtained by lawful, fair and transparent means with the knowledge and consent of the individual.
- The purpose for collecting PII should be clear, precise and limited and should be communicated to the individual from whom such data is being collected and to the CNDP when such data is being processed or handled.
- The collected data should be necessary, proportional and not excessive relative to the purposes for which they are being used.
- The data collected should be accurate, reliable, and complete and kept up to date.
- PII must be kept for a limited period not exceeding the time required to fulfill the purpose of the processing for which they were collected.
- Respect of individual rights: organizations that handle PII have the responsibility to respect individual rights (including right for access, review, correction, inquiry about the source and protest) and the obligation to put in place all measures necessary to enable the individual to assert these rights.
- Security and Confidentiality: PII should be protected by reasonable security safeguards against such risks as loss or unauthorized access, destruction, use, modification or disclosure of data.

25. New regulation will be required to introduce the UIN as a legal instrument for identification and to institutionalize its use in all of the Government programs serving the public. While the body of existing laws pertaining to this issue is more advanced than what is found in many developing countries today, its implementation is still in its early stage. In fact, the CNDP lacks the resources necessary to bring actions against violators. As the UIN is developed, a review needs to be conducted to determine if the existing legal frameworks are sufficient to allow for its development

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<sup>28</sup> The law specifies the scope of authority and mission of the CNDP as follows: (i) Awareness: informing and educating the public about their privacy rights and reminding those who handle PII of their obligations and responsibilities in conformance with the law; (ii) Advice and Guidance: providing opinion and advice to the Government, to the parliament and to competent authorities relative to any projects or legal propositions that could impact privacy; (iii) Protection: ultimately it is the CNDP that is tasked with protecting the privacy rights collectively, by ensuring that no applications that violate privacy is launched and, individually, by representing individuals in their redress, protest or complaints; (iv) monitoring and investigation: to ensure ongoing compliance with the law; (v) legal and technological watch: the CNDP monitors, investigates and analyzes the trends and technological, legal and societal changes that may impact privacy and data protection.

and utilization while assuring appropriate data privacy (see Box 2). Also, the development of a unique identifying number is usually supplemented by a Privacy Impact Assessment (PIA). In recent years, PIAs have become a standard element of IT system planning. They are routinely conducted by Government as well as private organizations early in the life of a project in order to assess and minimize privacy risks to individuals and, where applicable, ensure compliance with existing privacy regulations and laws.<sup>29</sup>

### **Box 2: Data Protection Frameworks**

In order to avoid the potential privacy pitfalls of ID, suitable protective framework needs to be put in place. Based on international best practices, a solid data protection framework needs to be built around 3 main pillars:

- (i) **Legislation:** Laws can pertain to specific applications. For example, the (i) Health Insurance Portability and Accountability Act (HIPAA) which covers privacy of medical information and the (ii) the Gramm–Leach–Bliley Act (GLBA), covering financial records in the United States. Other international best practices include privacy rights, covered by the European Commission Data Protection and Privacy Directives 95/46 and 2009/136; Article 8 Charter of Fundamental Rights of EU; Convention 108/81 of the Council of Europe (COE). These types of laws cover privacy of PII no matter what type of data or application is involved.
- (ii) **Privacy-by-design:** The use of the Privacy-by-Design as an approach of system engineering that takes into account, at all steps of the design and implementation process, the protection of privacy. It is not a single measure, but a collection of technologies and methodologies that fit under the rubric of Privacy.
- (iii) **Privacy-policy:** Another ingredient that has become important in the privacy dialogue is the privacy policy (PP). This is not a legal agreement, but an easy-to-understand document that any person can read and that explains in plain language what an organization that collects PII is committed to doing to safeguard the information. It is usually the document that Privacy Commissioners start with in examining the privacy practices of a public or private institution. (iv) Finally, as a best practice, it is recommended that the ID program incorporate a PIA (privacy impact assessment) that can be part of the initial planning as well as the change management procedures on an ongoing basis.

**Source:** *Digital Identity Toolkit- A guide for stakeholders in Africa (World Bank, 2014) and Delivery Systems Assessment – Identification module, Morocco country office (World Bank, 2014)*

## **Verification Protocols and Disbursement**

26. Verification of progress towards achieving the project objectives, DLIs, and DLRs will be conducted through audit reports produced by a credible independent evaluation agency. These reports need to be satisfactory to the World Bank to ensure disbursements. In the context of this project, this role will be given to the IGAT.<sup>30</sup> The IGAT has been satisfactorily used as an independent and credible evaluation agency to verify DLI achievement in the context of recent World Bank-financed operations implemented by the MoI in recent years. The IGAT reports directly to the MoI, which ensures its neutrality vis-à-vis other ministerial departments in charge

<sup>29</sup> There is a body of best practices within the IT community that has emerged and a standard that is currently under development for the methodology of PIA (ISO/IEC World Bank 29134, targeted for release end of 2016).

<sup>30</sup> The IGAT is an entity of the MoI of Morocco that was created in 1994 under article 2 of Decree No. 2.94.100. IGAT represents the agency of control and audit of local communities as well as of different administrative, technical and financial departments of the MI. IGAT carries out three missions at local communities' level: missions of inspection, audit missions, and mission of addressing grievances received from citizens of different regions in Morocco. Inspection missions entail the control of the functioning of local communities and the manner in which the executive officers manage public goods. As for audit missions, IGAT ensures the internal control, and the respect of procedures by local communities. It also provides them with objective and practical recommendations to improve their performance and efficiency.



of the project implementation. The World Bank will be responsible for assuring that the verification of the achievement of each DLR was conducted satisfactorily according to the compliance protocols. As such, verification/audit reports will need to be satisfactory to the World Bank who can request (as needed) additional information and clarification before authorizing related disbursements. The World Bank and the IGAT teams will elaborate the Terms of Reference of the evaluation report in close coordination and in accordance to the verification protocols.

27. Disbursements of some activities under sub-components 1.2 and 1.3 will be triggered by the achievement of the results, supported by claims for reimbursement of eligible expenditures. Upon completion of a DLR, the Government will prepare evidence that the result has been achieved in line with the verification protocols, which need to be satisfactory to the World Bank. The Government then submits a withdrawal application for the amount associated with that DLR and provides evidence in recent Interim Financial Reports (IFRs) that it has spent funds equal to or greater than those claimed in the EEP. The withdrawal applications can cover one or several DLRs, in any order, at any time, as long as sufficient eligible expenditures have been incurred. Disbursement requests will be presented to the World Bank by the MEF through the electronic disbursement system and using the World Bank disbursement form signed by an authorized Government representative. A copy of the official World Bank communication confirming the achievement of the DLR must be attached to all disbursement requests (detailed verification protocols by DLR are presented in Table 3).

28. Disbursement based on the achievement of DLIs can only be requested when pre-defined targets are met, irrespective of the year of achievement.

**Table 2. DLIs and DLRs Matrix for Component 1**

<b>DLI</b>	<b>CY 2017</b>	<b>CY 2018</b>	<b>CY 2019</b>	<b>CY 2020</b>	<b>CY 2021</b>	<b>PDI</b>
<b>Component 1.2 : Attribution of a UIN to the population in the Project Area</b>						
<b>DLI No. 1:</b> Number of newborns attributed a UIN at civil registration in the Project Area <sup>31</sup>	<b>DLR 1.1 - US\$6m</b> The UIN motor generator for the NPR is operational and has been used to attribute UINs to newborns in Casablanca through civil registration.	<b>DLR 1.2 - US\$5m</b> 47,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>DLR 1.3 -US\$4m</b> 113,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>DLR 1.4 - US\$2m</b> 206,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>DLR 1.5 –US\$1m</b> 266,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates	<b>PDI 1.</b> Number of newborns for whom a UIN has been attributed in the Project Area.
<b>DLI No. 2:</b> Population (six years old and above) for which a UIN has been attributed in the Project Area <sup>32</sup>			<b>DLR 2.1 - US\$4m</b> A UIN has been attributed to 19 million individuals (6 years old and above)	<b>DLR 2.2 - US\$2m</b> A UIN has been attributed to 25 million individuals (6 years old and above)		<b>PDI 2.</b> Number of population (6+) for which a UIN has been attributed in the Project Area.
<b>Component 1.3 : Establishment and operationalization of a NIA, the NPR, and the UIN</b>						
<b>DLI No. 3:</b> NPR, UIN and NIA legally established and operational	<b>DLR 3.1 - US\$4m</b> Draft law(s) for NPR, UIN and NIA has/have been validated by the IMSC and transmitted to the Government’s General Secretariat.	<b>DLR 3.2 - US\$6m</b> The Council of Government has approved the draft law(s) for NPR, UIN and NIA.		<b>DLR 3.3 - US\$4m</b> The NIA has been established and operational <sup>33</sup>		
<b>Annual disbursement</b>	<b>US\$10m</b>	<b>US\$11m</b>	<b>US\$8m</b>	<b>US\$8m</b>	<b>US\$1m</b>	<b>Total: US\$38m</b>

Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

<sup>31</sup> Estimates are based on the average number of new births per years in year 2014 as provided by administrative data from the Ministry of Health (664 thousand new births). The Government’s goal is to attribute of an UIN through civil registration to at least 40 percent of all new births by 2021.

<sup>32</sup> Estimates are based on the total population 6years old and above according to the to the 2014 national census conducted by the HCP (29,543,264 individuals). The Government’s goal is to attribute of an UIN to at least 85 percent of the population 6 years old and above by 2021.

<sup>33</sup> Making the NIA operational means that it is endowed with resources (technical, financial and human) as described in an implementation plan previously developed by the MoI and approved by MoI / MEF.

**Table 3. DLIs Verification protocols for Component 1**

#	DLI	Main Definitions	Proportional Disbursements allowed? (Yes/No)	Verification protocols		
				Data sources / responsible agencies to provide the data	Agency in charge of collecting proof of completion	Procedure
1	<b>DLI No. 1: Number of newborns attributed a UIN at civil registration in the Project Area</b>	<p>In 2017, it will be necessary to prove that the motor to generate the UINs is operational and capable of serving all the Moroccan population (while assuring unicity and proper storage of the information). Between years 2018 and 2021 the motor will be used to attribute a UIN to newborns. The number will be printed in their birth certificate and communicated electronically to the NPR.</p> <p><b>DLR 1.1 : US\$6m</b> The UIN motor generator for the NPR is operational and has been used to attribute UINs to newborns in Casablanca through civil registration.</p>	No	<ul style="list-style-type: none"> <li>• Project’s PMU;</li> <li>• DSCI</li> <li>• Central data repository of the civil register;</li> <li>• NPR’s management information system;</li> <li>• Database of the CNIE (National ID card);</li> <li>• BECs connected to the central repository of the civil register.</li> </ul>	IGAT	<p>The IGAT will undertake the following activities:</p> <p><b>DLR 1.1 :</b></p> <ol style="list-style-type: none"> <li>1. Verification that the UIN generator software of the RNP is operational;</li> <li>2. Verification that all BECs within the municipality of Casablanca have the necessary software, hardware and connections to request and recover the UIN automatically from the UIN generator software, and to store it on the Civil Register’s central repository. The verification will be conducted through site visits and based on inventory on a representative sample of BECs, selected by the IGAT, in the municipality of Casablanca.</li> </ol> <p>To conduct these verifications:</p> <ul style="list-style-type: none"> <li>- The DSCI will compile a list with the IT equipment provided for each BEC in Casablanca (self-reported) and will share it with the IGAT at least three weeks before the verification mission;</li> <li>- The DSIC will ensure the functioning of the central civil registration system-monitoring module, to ensure the connectivity of the BECs to the said system and the ability of the BECs to send requests to issue UINs to the UIN generation server, and send them electronically to the central system for storage;</li> <li>- The IGAT will select and visit a sample of the BECs and verify the accuracy of the self-reported data;</li> <li>- The IGAT will ensure that: (i) the list of self-reported equipment which was verified is correct; (ii) the BECs are connected to the Civil Register’s central repository; (iii) the BECs can send and receive requests to generate the UIN to the UIN generation server; and (iv) the UIN thus generated are stored on the Civil Register’s central repository;</li> <li>- The IGAT will produce a verification report on the basis of the verification process.</li> </ul> <ol style="list-style-type: none"> <li>3. After the verification mission, the IGAT will send to the World Bank: <ul style="list-style-type: none"> <li>• The list of equipment of all Casablanca’s BECs;</li> <li>• The verification report;</li> <li>• The database with the equipment and the results of the depersonalized verifications, on a representative sample of BECs.</li> </ul> </li> </ol>

		<p><b>DLR 1.2 : US\$5m</b> 47,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates.</p> <p><b>DLR 1.3 : US\$4m</b> 113,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates.</p> <p><b>DLR 1.4 : US\$2m</b> 206,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates.</p> <p><b>DLR 1.5 : US\$1m</b> 266,000 newborns in the Project Area have been attributed a UIN through the UIN generator of the NPR and have their UIN printed on the birth certificates.</p>				<p><b>DLR 1.2, 1.3, 1.4, 1.5 :</b></p> <ol style="list-style-type: none"> <li>1. Verification on an annual basis of the number of newborns, by gender, having a UIN printed on their birth certificates and communicated automatically to the NPR (along with other identify data as required by the NPR’s data model);</li> <li>2. Verification on an annual basis, and on the basis of a sample, that the UIN printed on birth certificates correspond to the UIN communicated to the NPR (data quality).</li> </ol> <p>To conduct these verifications:</p> <ul style="list-style-type: none"> <li>- The DSIC will establish annually the list of BECs that has the UIN generator software operational and integrated into the information system of the Civil Register’s central repository and able to request and recover the UIN. This list will have to be sent to the IGAT no later than 3 weeks before the beginning of the verification mission;</li> <li>- The DSIC will establish and communicate to the IGAT a depersonalized database, by gender, of the newborns with UINs from the NPR;</li> <li>- The DSIC will ensure the proper functioning of the modules for monitoring of Civil Register and of the NPR to allow the identification of newborns for whom a UIN was attributed and the verification of the accuracy of the data.</li> </ul> <ol style="list-style-type: none"> <li>3. At the end of verification mission, the IGAT will send to the World Bank: <ul style="list-style-type: none"> <li>• The report of the mission of verification, showing the audits carried out and the results of the verifications mentioned above.</li> </ul> </li> <li>4. The World Bank will participate in demonstration sessions of the operational systems and in interactive presentations of the interfaces and dashboards of the NPR, during which the World Bank would request to consult, on-site, the database to produce descriptive statistics and summary tables related to the achievement of the DLR and to ensure the quality of the information on newborns in the NPR.</li> </ol>
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2	<p><b>DLI No. 2. Population (6 years old and above) for which a UIN has been attributed in the Project Area</b></p>	<p>This DLI pertains to the roll out of an administrative process of attribution in mass of UINs to the population 6 +</p> <p><b>DLR 2.1: US\$4m</b> A UIN has been attributed to 19 million individuals (6 years old and above).</p> <p><b>DLR 2.2: US\$2m</b> A UIN has been attributed to 25 million individuals (6 years old and above).</p>	No	<ul style="list-style-type: none"> <li>• Project’s PMU;</li> <li>• DSIC</li> <li>• Central data repository of the civil register ;</li> <li>• CNIE database;</li> <li>• MASSAR database;</li> <li>• Register of Foreign Residents.</li> </ul>	IGAT	<p>The IGAT will undertake the following activities:</p> <p><b>DLR 2.1 and 2.2</b></p> <ol style="list-style-type: none"> <li>1. Verification of the number of unique individuals in the NPR with a UIN, using the NPR’s information system.</li> <li>2. Verification of the capacity of different data feeders (CNIE, MASSAR, Register of Foreign Residents) to request and recover the UIN for the flow of new entrants in the above-mentioned feeder systems.</li> <li>3. Verification on the basis of a representative sample that most of the identity data in the NPR is complete (based on the country’s data model).</li> </ol> <p>To conduct these verifications:</p> <ul style="list-style-type: none"> <li>• The DSIC will establish a depersonalized database of unique individuals in the NPR with a UIN. This data will need to be extracted from the NPR and communicated to the IGAT no later than 3 weeks before the beginning of the verification missions;</li> <li>• The DSIC will ensure the proper functioning of the NPR monitoring module that allows the identification of the people for whom a UIN was attributed and the verification of the accuracy of the data.</li> </ul> <ol style="list-style-type: none"> <li>4. At the end of verification mission, the IGAT will send to the World Bank: <ul style="list-style-type: none"> <li>• Reports summarizing the verifications 1-2-3 mentioned above;</li> <li>• The technical specifications describing the requirements in terms of NPR data quality and reliability, and the process of updating and data feeding;</li> <li>• The documents with the tests (final product).</li> </ul> </li> <li>5. The World Bank will participate in demonstration sessions of the operational systems and in interactive presentations of the interfaces and dashboards of the NPR, during which the World Bank would request to consult the database, on-site, to produce descriptive statistics and summary tables related to the achievement of the DLR and to ensure the quality of the information on the population of six years old and over in the NPR.</li> </ol>
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3	<p><b>DLI No. 3: NPR, UIN and NIA legally established and operational</b></p>	<p>This indicator measures the progress of the implementation of the regulatory and institutional framework for the operationalization of the NIA, the NPR, and the UIN. This based on:</p> <ul style="list-style-type: none"> <li>• Development and transmission to Parliament of texts required for the creation of the NPR, the UIN, and the NIA.</li> <li>• Assuring that regulation properly addresses the use of personal data according to international best practices and to Moroccan data privacy laws.</li> </ul> <p><b>DLR 3.1: US\$4m</b> Draft law(s) for NPR, UIN and NIA has/have been validated by the IMSC and transmitted to the Government's General Secretariat.</p> <p><b>DLR 3.2: US\$6m</b> The Council of Government has approved the draft law(s) for NPR, UIN and NIA.</p> <p><b>DLR 3.3: US\$4m</b> NIA has been established and is operational.</p>	No	Project's PMU	IGAT	<p>The IGAT will undertake the following verifications and in accordance with the project's scope:</p> <p><b>DLR 3.1 :</b> Verify that:</p> <ol style="list-style-type: none"> <li>1. A legal team is in place to prepare the legal framework (laws and regulation) for NPR, UIN and NIA.</li> <li>2. Draft legal texts are transmitted by MoI to SGG.</li> <li>3. The World Bank received the verification report of IGAT and the draft legal texts, which should be acceptable to the World Bank.</li> </ol> <p><b>DLR 3.2 :</b> Verify that:</p> <ol style="list-style-type: none"> <li>1. The legal texts to support the creation of the NIA, NPR and UIN are approved by the Government Council (CG).</li> <li>2. The World Bank received the verification report of IGAT and the draft legal texts, which should be acceptable to the Word Bank.</li> </ol> <p><b>DLR 3.3 :</b> Verify that :</p> <ol style="list-style-type: none"> <li>1. The NIA is created (has a legal status that allows it to operate).</li> <li>2. The NIA is equipped with human and financial resources necessary for its functioning.</li> <li>3. The NIA has an operational manual (OM) defining its roles and responsibilities.</li> <li>4. The World Bank received the verification report of IGAT, the legal framework (laws and regulations) concerning the NIA, and the OM, which should be acceptable to the World Bank.</li> </ol>
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**Table 4. Multiannual Plan of Activities for Component 1**

2017	2018	2019	2020	2021
<b>Design, Development, and Data Loading of the NPR</b>				
Elaboration of roadmap to assess and improve data quality of MASSAR with CNIE, foreign residents, and civil registry databases	—	—	—	—
Selection of consultant firm and Elaboration of NPR/UIN study including the system design and architecture	—	—	—	—
Implementation of roadmap to improve quality of MASSAR database with CNIE, foreign residents, and civil registry databases	—	—	—	—
Elaboration and validation of tender specifications and call for tenders for NPR/UIN <sup>34</sup> study		Exit/depuration of ‘dead individuals’ from the NPR	Exit/depuration of ‘dead individuals’ from the NPR	Exit/depuration of ‘dead individuals’ from the NPR
Validation of deliverables of consultant firm <sup>35</sup>	—	—	—	—
Elaboration, validation and signature of specific MoUs with data feeders for NPR (civil registry, MASSAR and CNIE)	—	—	—	—
Procurement and equipment for ICTs (software, hardware...)	—	—	—	—
Measures of convergence and consistency between NPR and other identity programs	—	—	—	—
Equipment/connection of BECs in Casablanca to the National Civil Register ( <i>Registre National de l’Etat Civil</i> - RNEC) central platform/UIN generator	Continuing equipment/connection of BECs in Casablanca to the	Continuing equipment/connection of BECs to the RNEC	Continuing equipment/connection of BECs to the RNEC	Continuing equipment/connection of BECs to the RNEC

<sup>34</sup> Preparation of specifications tender and TORs of consultants / consulting firm to (i) develop processes and procedures to roll out the UIU and NPR (front office and back office); (ii) draft a technical proposal for NPR architecture; (iii) roll out the NPR architecture (including data architecture, systems and processes/\procedures (general and detailed specifications, functional and technical of the UIN generator, data de-duplication engine, data exchange services, data management and systems integration modules with other information systems and interface with services and individuals, system to manage queries and grievances); iii) report on findings and verification tools to check the quality of UIN generation resulting from a test on a sample of one million UINs; iv) identify ICT investments needed to update existing systems servers (civil registry, CNIE, MASSAR) and develop measures for technical updates of existing systems to ensure consistency with the NPR; and v) technical/technological and procedural prerequisites for integrating the UIN in the management systems (GIS) of key partners.

<sup>35</sup> Validation of deliverables of the study (NPR technical architecture including UIN generator/de-duplication engine, specifications of the technical infrastructure and UIN and the NPR manual of procedures.)

2017	2018	2019	2020	2021
	RNEC central platform/UIN generator	central platform/UIN generator	central platform/UIN generator	central platform/UIN generator
Test and roll out of UIN generator and Measures to de-duplicate data (MASSAR, CNIE, foreign residents databases)	—	—	Operational Audit of the NPR project is conducted	—
Attribution of the UIN to newborns in Casablanca	Attribution of the UIN to newborns through civil registration (and printed on their birth certificates)	Attribution of the UIN to newborns through civil registration (and printed on their birth certificates)	Attribution of the UIN to newborns through civil registration (and printed on their birth certificates)	Attribution of the UIN to newborns through civil registration (and printed on their birth certificates)
	NPR's information system is fully operational and tested.	First version <sup>36</sup> of the NPR (CNIE, civil registry, and MASSAR databases are loaded into a single database) and a UIN is attributed to each record after deduplication.	All new individuals registered in year <i>t</i> (MASSAR, CNIE and Register of foreign residents, SR) are communicated electronically to the NPR and attributed a UIN	All new individuals registered in year <i>t</i> (MASSAR, CNIE and Register of foreign residents, SR) are communicated electronically to the NPR and attributed a UIN
Elaboration and Validation of the communication plan (including the institutional and the general public)	Implementation of the institutional communication plan	Implementation of the institutional communication plan	Implementation of the communication plan to the general public	Implementation of the communication plan to the general public
<b>Technical update of existing information systems that will feed the NPR</b>				
Identification of MISs that will be 'seeded' with the UIN				
Review of processes and technical updates developed for MISs that will be 'seeded' with the UIN	Review of processes and technical updates developed for MISs that will be 'seeded' with the UIN	—	—	—
Development of MoUs/agreements/protocols with institutions whose MIS will be seeded with the UIN	Signature of MoUs/agreements/protocols with institutions whose MIS will be seeded with the UIN	UIN 'seeded' in selected MIS <sup>37</sup>	UIN 'seeded' in selected MIS	UIN 'seeded' in selected MIS

<sup>36</sup> Extraction of existing data (CNIE , foreign residents database , MASSAR ), de-duplication, attribution of UIN and NPR upload

<sup>37</sup> The MIS has an UIN field, which is filled with the UIN communicated by the NPR.



<b>Development of operational, regulatory, and legal frameworks</b>				
Identification of needs in capacity buildings and elaboration of action plan				
Roll out of action plan				
Definition of TORs and Establishment of a legal team	—	—	—	—
Identification of legal and regulatory requirements (NPR, UIN, NIA)	Adoption of regulatory measures (data feeders of the NPR)	—	—	—
Definition of the legal and regulatory framework	The Council of Government has adopted the draft laws (NIA, NPR, UIN) and the SGG sends legal texts (NIA, NPR, UIN) to the Parliament	Development of implementation plan for NIA and its validation by MEF and MoI	Legal and implementation texts are published (UIN, NIA, NPR)	Implementation and operationalization of legal frameworks (that is, NIA)
Regulatory and legal frameworks for NPR, UIN NIA are validated by the MoI transmitted to the Government's General Secretariat (SGG) for adoption	—		—	—

Note: RNEC = *Registre National de l'Etat Civil* (National Civil Register)

**Table 5. Detailed Budget by Activity for Sub-component 1.1**

Activity: System Design and Development		Sub-activity	Number of Days During Project Implementation <sup>38</sup> (60 months)	Cost (US\$, millions)
Drafting of the Requests for proposal (RFPs) for the data system (DS) (DS architecture, DS update, and other necessary ICT applications during the project lifetime) (200 days for the first year, 100 days for the second year, and 50 days per year for the remaining three years)			450	0.45
DS development	Web portal (90 days for the first year and 30 days per year for the remaining four years)	<ol style="list-style-type: none"> <li>1. Interactive space (Entry-follow-up-complaint...)</li> <li>2. Information space</li> <li>3. Update</li> <li>4. Additional applications (e-services)</li> </ol>	210	2.0
	DS back office and UIN generator (100 days for the first two years and 30 days per year for the remaining three years)	<ol style="list-style-type: none"> <li>1. Entry and demand</li> <li>2. Generation of the UIN</li> <li>3. Update/revision of the DS</li> <li>4. Data mining services</li> <li>5. M&amp;E module (dashboard)</li> </ol>	290	
	Data exchange module	<ol style="list-style-type: none"> <li>1. Exchange with the civil registry</li> <li>2. Exchange with the SR</li> <li>3. Exchange with the CNIE DS</li> <li>4. Exchange with the MASSAR DS</li> <li>5. Individual data anonymization modules</li> <li>6. Update/revision of the module</li> <li>7. Modules e-services (for the Government/citizens)</li> </ol>	200	
Data center	Purchasing of the data center/server	–	–	1.5
	Purchasing of software for the data center	–	–	0.7
	Setup	<ol style="list-style-type: none"> <li>1. Setup of the operating system</li> <li>2. Setup of application servers</li> <li>3. Setup of application database servers</li> <li>4. Setup of security mechanisms</li> <li>5. Setup of exchange mechanisms</li> <li>6. Update of the system during the project lifetime</li> </ol>	–	0.35

<sup>38</sup> Based on industry benchmarks for Morocco ICT projects (provided by the DSIC), the expected cost of a work day for system design is approximately US\$1.000,00 dollars and for system development is approximately US\$2.860,00.

Initial data upload using the database of the CNIE and MASSAR (NPR beta version)			0.1
<b>Total</b>			<b>5.1</b>
<b>Activity: Deduplication, Verification of Data Reliability, and Initial Data Loading</b>	<b>Unit Cost</b>	<b>Number of Units During Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Uploading of the data and attribution of the UIN (NPR alpha version), including the development of applications to digitize the data upload and to run tests (multiple times) before the system goes live and to verify the quality of the data using statistical sampling methods (between 2 percent and 5 percent of the population)	—	400 days	0.4
<b>Total of Verification of Data Reliability, and Initial Data Loading</b>	—	—	<b>0.4</b>

<b>Activity: Technical Update of Existing Information Systems That will Feed the NPR</b>	<b>Unit Cost</b>	<b>Number of Units during Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Drafting of the RFPs for the DS update of the CNIE, MASSAR, Legal foreign residents/coherence with the NPR (40 days per system)	—	120	0.12
Development (80 days per system)	—	240	0.24
Hardware	If necessary, to be taken care by the relevant department (to be discussed/verified)	—	—
<b>Total</b>	—	—	<b>0.36</b>

## **Component 2: Design and Development of an SR (US\$50 million)**

29. This component will consist of providing technical and financial support to the Government of Morocco to: (i) develop, feed, and update the SR systems (architecture, software, hardware, operation manuals, and household registration, among others, in the Project Area) (sub-component 2.1); (ii) establish legally and operationalize the SR to become a functional unique entry point for SSNs (sub-component 2.2); and (iii) ensure the transition of beneficiaries of RAMED, Tayssir, DAAM into the SR (sub-component 2.3).

30. Activities under sub-component 2.1 will be implemented with disbursements against eligible expenditures for specific activities set out in the project's PP. Activities under sub-components 2.2 and 2.3 will use a results-based approach, to be financed conditional on satisfactory achievement of jointly agreed DLIs. Each DLI will trigger disbursement milestones where the DLRs have been technically achieved according to a verification protocol. Also, disbursements made under sub-components 2.2 and 2.3 will reimburse for expenditures made in the project's EEP as described in the FM section. All procurable activities under this component, whether or not linked to the DLIs (or the EEP) will be subject to the World Bank procurement guidelines.

### **Definitions and Methodology**

31. The SR is an information system used as an entry point for registration of individuals/families/households in selected social programs. During the process of registration, the applicant fills up a unique enrollment form to collect socio-economic information of the applicant and his/her household as well as physical characteristics of the dwelling where it resides. The SR also helps program administrators by ensuring data quality and by enforcing data controls. An SR should ensure the quality of its information through periodic updates and verification as well as through integration mechanisms with other information systems, such as taxes, utilities for water and electricity, and social security. An SR should also incorporate data mining, reporting, monitoring, and business intelligence capabilities to inform and support public policy.

32. The SR contains in-depth information about individuals and households. For individuals, the information system of the SR contains information about their identity (for example, the UIN, CNIE, civil registry number, other program numbers, and so on); socio-demographic characteristics (age, gender, education attainment, and health/employment status, among others); household composition; and relationship to the household head. The SR also contains information about the household where the individual resides (address, access to basic services, physical infrastructure of the dwelling, and asset holdings, among others). The SR allows program users to assess and classify individuals and households according to their welfare levels, as well as socio-economic/living conditions.

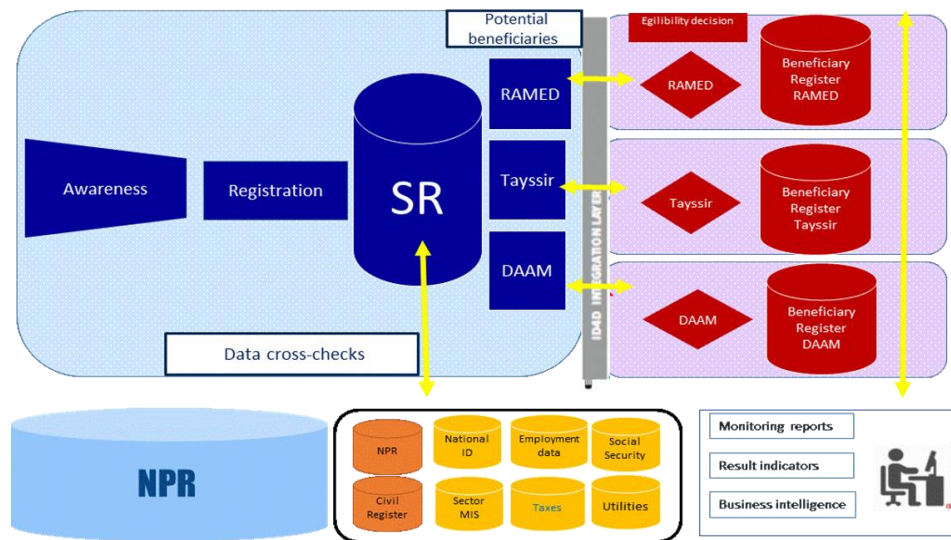
33. A performing SR has many benefits, including: (a) it improves coordination (technical, administrative, and operational) of various social programs and social benefits; (b) reduces administrative costs of program registration and targeting (human and financial); (c) reduces transaction costs for families and individuals to apply for social programs and benefits; (d) improves transparency and governance of social expenditures; and (e) harmonizes the mechanism

for the classification of households according to their socio-economic conditions (Figure 5). The SR is a powerful administrative tool that allows for improving efficiency in registration processes by lowering burden to applicants of navigating across complex processes and by increasing transparency and accountability of SSN expenditures.

34. Furthermore, the SR has important operational objectives:

- To develop a common/harmonized registration platform for the targeted population for participation in different social programs
- To assess the needs and conditions to determine eligibility for social programs (benefits and services)
- To monitor the demand for social programs based on the profiles of needs and conditions of the population
- To coordinate and integrate benefits and services, when serving multiple programs
- To monitor and evaluate the quality of the SR's management and information system
- To inform, orient, and design social policies

**Figure 5: Development of the SR in Morocco**



35. The RAMED information system has many elements that resemble the SR. The introduction of the RAMED program required the development of a mechanism to identify and select eligible beneficiaries to ensure that the system reaches the neediest households. The RAMED information system contains identity information as well data on socio-economic conditions of individuals and their direct family (not household). Data are collected using a form filled up by the head of each family. The form collects declarative information about the family composition, number of children, assets, and family income. Information collected is digitized at the local administrative district where applicants submit their applications. Based on the information collected, the system produces a socio-economic score using a PMT formula. The PMT formula varies between urban and rural areas and is currently established by law (Decree no.

2-08-177 of September 29, 2008), which makes it difficult to revise it and update it.<sup>39</sup> Based on the score, eligible applicants are categorized as ‘poor and vulnerable.’ This information is used by a dedicated commission in each locality that makes the decision on the eligibility of applicants. The PMT score is only one of the elements considered by the commission to make its decision. Eligible families benefit for a period of three years, after which a new application needs to be submitted for reconsideration.

36. The RAMED information system has already design and functionality elements that will certainly contribute to operationalize the SR.

- The RAMED registration has territorial representation in 2,200 administrative annexes (most of which are equipped with staff and equipment to collect and digitize the data collected through the program’s registration form).
- The RAMED has a central team with experience in the management of large databases.
- The system is capable of managing and implementing a scoring system (socio-economic classification).
- The system is currently serving as the entry point for other programs (the DAAM CT program) besides the health insurance.
- The system has electronic links with other databases (CNIE, National Social Security Fund (*Caisse Nationale de Sécurité Sociale* – CNSS), National Fund for Social Welfare Organizations, National Agency for Social Planning (*Caisse Nationale des Organismes de Prévoyance Sociale* - CNOPS), allowing for data cross-validation of information provided by applicants.

37. Nevertheless, the RAMED information system needs to be improved in order to be considered a full-fledged SR.

- It does not have a legal/institutional mandate to serve as an entry point for SSNs other than RAMED and DAAM.
- Its scoring formula for determination of categories is outdated, displays high targeting errors, and excludes the poorest segments of the population.<sup>40</sup>

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<sup>39</sup> In urban areas, households are eligible to the program if: (a) their score of socio-economic conditions, and (b) their annual declared weighted income are both below a predetermined threshold. In rural areas, households are eligible to the program if: (a) their assets score, and (b) their score of socio-economic conditions are both below a predetermined threshold.

<sup>40</sup> Recent analysis (World Bank and ONDH 2015) shows that the RAMED’s scoring methodology displays very high errors of exclusion (up to 72 percent of the target population in 2012 were excluded from the program in rural areas) (see Angel-Urdinola et al., 2015 for more detailed information). First, the formula poses several issues: (a) the coefficients used to calibrate the PMT formula are based on 2001 data and may not be indicative or adequate to proxy poverty today; (b) the formula is calibrated at the household level, while applicants are generally nuclear families, who may live with other individuals within a household; and (c) the formula includes an unverifiable self-declaration of income and assets. Second, there is no systematic outreach of potential

- It currently does not collect information that would be essential to assess individual's/household's eligibility to other social programs (for example, Tayssir).
- It only collects a copy of the CNIE of the head of the household and the spouse. However, since the DS does not include a UIN for individuals registered, there is no infrastructure for authenticating the identity of children below 18 years listed in the register (which may lead to fraud).
- The database does not contain socio-economic information on households (only of nuclear families).

38. The transition from the RAMED to the SR will be gradual and capitalize on the existing infrastructure (technical and operational) of the RAMED's information system. A first step will be to build the SR as a point of entry for three programs, RAMED, DAAM, and Tayssir, with the vision of adding other programs in the near future. Also, the transition will require development of a new registration form, an update of the scoring formula, and support for setting the required institutional and legal framework that gives the SR a clear mandate for its operationalization (defining the roles and the responsibilities of the MoI as the register's manager as well as those of different line ministries and agencies that will be the users of the information). The SR will provide improved features to control the quality of the data and will build its capability to exchange information (interoperability) with other sectors and programs involved as well as with other databases that will ensure the reliability of the register's information. The SR will help the development of data-mining and business intelligence capabilities to use its data for monitoring and policy design.

39. Finally, the Government will develop a system to identify authentication which could be achieved through the SR smart card and/or biometric authentication mechanisms to be used by all social programs that use the SR as an entry point and/or through biometric authentication. Such system for identity authentication will be used to allow beneficiaries of SSNs to prove their identity to facilitate the allocation of payments/services and to improve the monitoring of social transfers.

### **Sub-component 2.1: Design and Development the SR systems (US\$20 million)**

40. This sub-component will finance the acquisition of goods and provision of advisory services for the following activities: (i) evaluation and revision of operational manuals of SSN programs which will use the SR as an entry point; (ii) development of new procedures for household registration in the SR; (iii) design and development of the SR systems, including acquisition of computer hardware and software; (iv) technical updating of existing information systems of SSN programs which will use the SR as an entry point; (v) carrying out data collection and household registration; (vi) acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals in the SR; (vii) assessment of the data quality and performance of the targeting system of the SR; (viii) preparation of the legal framework (laws and regulations) for the SR; (ix) preparation and implementation of communication campaigns and citizen engagement mechanisms, including the development of an appeal and complaint

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beneficiaries, and the system still relies on self-registration, potentially leaving behind underprivileged households who do not have information about the program.

system; and (x) building institutional capacity to implement the SR. The activities to be financed under this sub-component are as follows (see Table 6 for a summary of the activities and Table 10 for a detailed activity costing):

41. During the first 18 to 24 months of implementation, the project will finance provision of advisory services to prepare all processes and infrastructure necessary to roll out the SR (see Table 6 for a detailed annual implementation plan). The following activities are envisioned.

42. **Process evaluation and revision of the operation manuals of all programs that will use the SR as an entry point.** This activity will entail the diagnosis and review of registration and targeting processes of all programs that will use the SR as an entry point. The activity will also support reviewing and updating the program's operation manuals (targeting and registration) in harmony with the SR. The cost of this activity is estimated at 200 workdays (program evaluation and revision of operation manuals).

43. **Development of new procedures for household registration into the SR.** This activity will entail the formulation of new processes for SR registration, including the development of operation manuals as well as of a new registration form based on the data requirements of the different programs that could use the SR as an entry point. At the same time, this activity will support the development of a new scoring formula in close coordination with the main providers of statistical data at the household level (notably the HCP).<sup>41</sup> The cost of this activity is estimated at 300 workdays.

44. **System design.** This activity will finance technical assistance support for the design of: (a) the SR's IT architecture; (b) the systems and processes to support individual and household registration; (c) the integration and data exchange modules with other systems that will provide and receive data from the SR; and (d) a central data repository of current and historical information from the data of different social programs for the analysis and reporting (commonly referred to as a data warehouse).<sup>42</sup> The cost of the system's design (throughout the lifespan of the project) has been estimated at 550 workdays and will be conducted in a modular manner using specialized consulting firms.

45. **System development.** This activity will finance the necessary infrastructure/equipment to develop the SR, including: (a) data centers/servers for data exchange, authentication, and synchronization (with data audit capabilities); (b) software acquisition, mainly an enterprise service bus software with public key infrastructure capability; and (c) software development for

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<sup>41</sup> The new questionnaire will be based on existing questionnaires used by participating programs to take into account their eligibility criteria for different programs, as well as on available household surveys to collect necessary socio-economic data to classify households according to their poverty/welfare status. This information is then used to develop a 'scoring formula' to classify households from the poorest to the richest within the SR. The type of information to be collected is generally determined by a technical analysis of the main poverty determinants in the country based on the most recent available national household surveys.

<sup>42</sup> Data warehouse is a system used for reporting and data analysis. It is a central repository of integrated data from the different social programs. It stores current and historical data to support the different analytical and reporting requirements. This capability will include data marts for individuals and households and support for predictive analysis to extract insights in the data and support predictive analysis. Predictive analysis consists of finding and quantifying hidden patterns in the data using complex mathematical models that can be used to predict future outcomes. Predictive analysis is different from Online Analytical Processing, which focuses on historical data analysis and is reactive in nature, while predictive analysis focuses on the future.



applications that will be particular to the SR (such as data warehouse, testing, reporting, dashboards, and so on). The cost of the system's development (throughout the lifetime of the project) has been estimated at 700 workdays (software development only). Hardware costs have been estimated separately.<sup>43</sup>

46. **Technical update of existing information systems of programs that will use the SR as a point of entry.** This activity will finance all modifications that will need to be introduced to ensure the databases/MIS that will share/exchange information with the SR (RAMED, Tayssir, and DAAM) will become compatible and interoperable. The cost of this activity is estimated at 180 workdays (software design only). Hardware costs (if any) will be paid by the Ministry/program involved (not through the project).

47. After the above-mentioned activities are completed, the SR will be rolled out. At this point, individuals who wish to benefit from participating in social programs must register their household in the SR. The stock of beneficiaries of social programs will also be required to register in the SR to continue receiving their benefits.

48. The following activities are envisioned to take place after the rollout of the SR:

- **Data collection/household registration.** The activity will finance the extra costs (that are not currently covered by the RAMED registration infrastructure) to collect, verify, and digitize data necessary to complete household registration into the SR. This entails (a) registration campaigns in rural/isolated areas; (b) printing of the new questionnaires; and (c) updates/upgrades to the existing infrastructure to collect, process, and storage of data gathered through the SR questionnaire.<sup>44</sup>
- **Acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals in the SR.** The activity finance the necessary goods and equipment to allow beneficiaries of the SR to proof their identity (could be a smart card and/or biometric authentication) as well as necessary equipment to allow the administration to verify the identity of beneficiaries in for public services (card readers and/or biometric readers). These systems for identity verification are expected to be used by social programs to 'track' transactions and facilitate payments. Equipment is expected to be provided by a specialized contractor.
- **Assessment of data quality and of the targeting performance of the SR.** Good data quality is a fundamental factor to ensure adequate performance of the SR. Since most of the information collected in the SR is expected to be self-declared by individuals at registration, mechanisms for verifying data reliability need to be put in place. This activity could finance the development of the M&E process (both random data controls and representative random surveys) to assess/confirm the veracity of the information declared as well as the errors of inclusion and exclusion of the household scoring formula. The

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<sup>43</sup> Based on industry benchmarks for Morocco ICT of the MoI projects (provided by the DSIC), the expected cost of a work day for system design is approximately US\$1,000 and for system development is approximately US\$2,860.

<sup>44</sup> To ensure registration of the poorest segments of the population, data collection (i.e. registration) will also be conducted through outreach campaigns conducted by trained social workers in selected localities with limited access to registration points.

activity will also finance the usage of other systems of data verification by linking the information in the SR with other available datasets and registers that can help verify the information on household income, such as tax records, social security, and water and electricity distribution companies. The UIN and the CNIE will be used as ‘keys’ to link information provided at registration with other relevant information systems.

- **Preparation of the legal framework (laws and regulations).** This activity will finance technical assistance to develop adequate institutional and regulatory frameworks for the SR. This will entail an in-depth review of the current regulation and institutional arrangements developed for the RAMED information system and definition of new roles as responsibilities for their operationalization, ensuring proper use and access of data, data privacy, and so on.<sup>45</sup>
- **Communications and citizen engagement mechanisms (including the development of a grievances system).** The component will finance the design and the implementation of a national communication campaign (both at the central and local levels) to support the process of registration of individuals and households in the SR with the support of non-governmental organizations, community development associations, community leaders, and the media. To ensure proper participation of the population, many channels will be used for the communications strategy, including information campaigns, television, debates and forums, conferences, other visual media, as well as meetings with community and religious leaders, among others. In addition, a grievance management system will be implemented at the local and national levels (with a proper operational manual) to timely address queries and complaints from citizens who use the system.
- **Building institutional capacity to implement the SR.** The project will ensure a budget allocation to support the Government with specialized technical assistance to develop the national capacity to implement the proposed system (including training, study of international best practices, and so on).

**Table 6. Activities to be financed under Component 2.1**

Activities	US\$ Million
• Evaluation and revision of operational manuals of SSN programs which will use the SR as an entry point	0.20
• Development of new procedures for household registration in the SR	0.30
• Design and development of the SR systems, including acquisition of computer hardware and software	5.10
• Technical updating of existing information systems of SSN programs which will use the SR as an entry point	0.18
• Carrying out data collection and household registration	1.40

<sup>45</sup> Developing a better identity ecosystem raises important concerns related to data protection and the respect of individual privacy rights. There is a heightened sensitivity about this issue in Morocco, where the legislator has proactively worked to establish the legal framework for privacy protection already and has put in place a data protection law, the so-called Law 09-08 as promulgated by Dahir No. 1-09-15 of 2009 and the Executive Order (decree) 2-09-165 of 2009. In addition, the country has a National Commission for the CNDP, which has the role of the data protection authority. While Law 09-08 is adequate and represents a good foundation for protection, the ID assessment report (World Bank 2015) shows that the CNDP does not have adequate capacity to monitor and enforce compliance. The introduction of an UIN elevates the concerns regarding privacy and potential misuse.

<ul style="list-style-type: none"> <li>Acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals in the SR.</li> </ul>	10.0
<ul style="list-style-type: none"> <li>Assessment of the data quality and performance of the targeting system of the SR</li> </ul>	0.60
<ul style="list-style-type: none"> <li>Preparation of the legal framework (laws and regulations) for the SR</li> </ul>	0.50
<ul style="list-style-type: none"> <li>Preparation and implementation of communication campaigns and citizen engagement mechanisms, including the development of an appeal and complaint system</li> </ul>	1.00
<ul style="list-style-type: none"> <li>Building institutional capacity to implement the SR</li> </ul>	0.72
<b>Total</b>	<b>20.0</b>

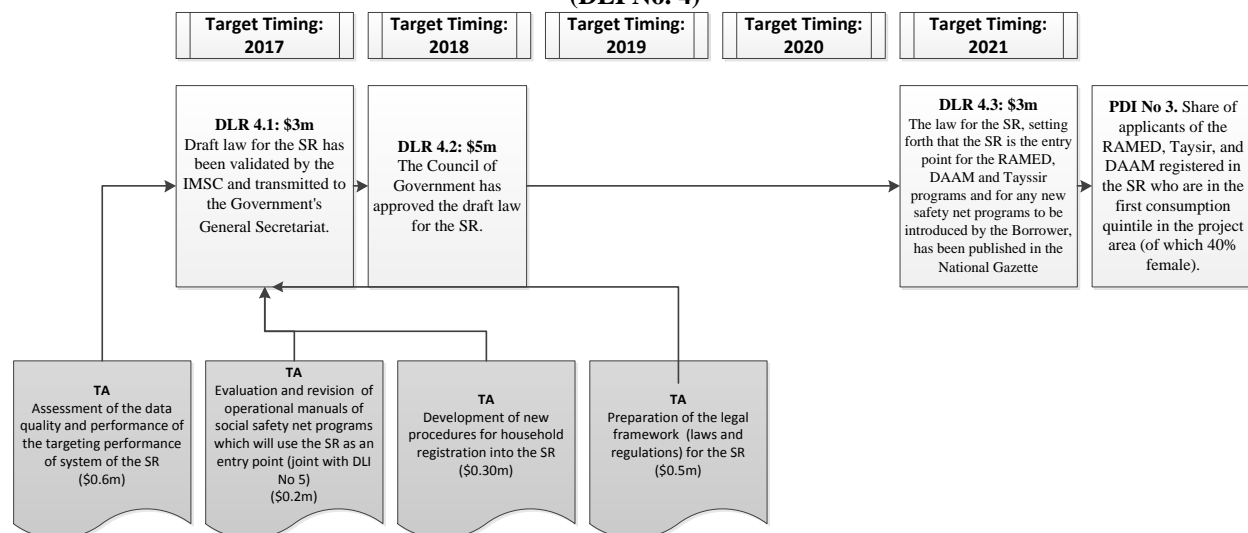
**Sub-component 2.2: Establishment of the Legal Framework (Laws and Regulations) for the SR to Become a Functional Unique Entry Point for SSNs (US\$11 Million)**

49. DLI No. 4: SR legally established and operational to become a functional unique entry point for SSNs. This DLI will support the development of the legal framework (laws and regulations) in order to ensure its proper utilization and sustainability of the SR (Figure 6). First, since the SR will collect personal data, it will need to ensure proper utilization of data as well as data privacy and proper protection of personal information. Regulatory frameworks will also be necessary to provide clear roles and responsibilities across different stakeholders that will use the system and clear mandates to programs (existing and to come) to use the SR as an entry point to become beneficiaries of social programs. Finally, clear regulatory frameworks for “targeting” within the context of the SR will need to be developed as well. Indeed, international best practices indicate that targeting methods used by the SR need to be revised and evaluated periodically. As such, a good SR regulation should specify the technical and the institutional framework for doing so.<sup>46</sup>

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<sup>46</sup> Currently, the targeting methods use by the RAMED (questionnaire and formula) are regulated under decree 2.08.177. This decree will need to be amended in order to allow for new targeting methods that will be used by the SR.

**Figure 6: SR Legally Established and Operational to Become a Functional Unique Entry Point for SSNs (DLI No. 4)**

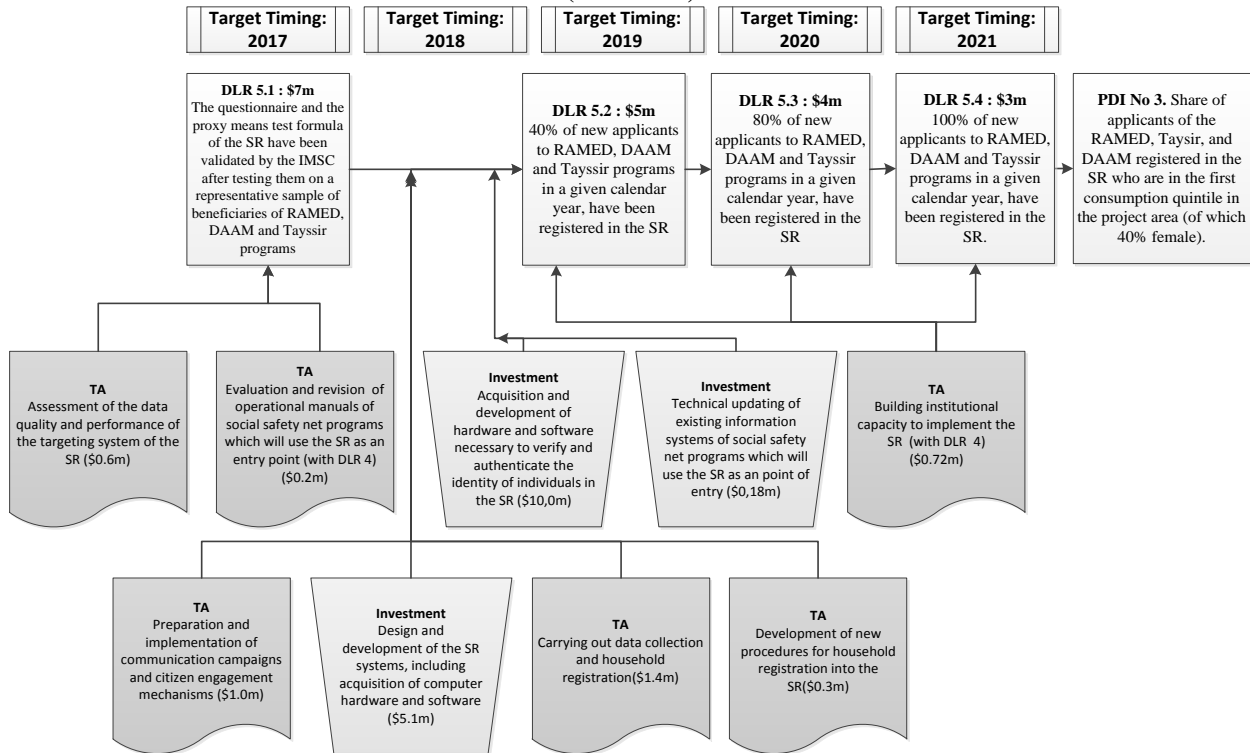


Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

### **Sub-component 2.3: Transition of RAMED, Tayssir, DAAM Programs' Applicants into the SR in the Project Area (US\$19 million)**

50. **DLI No. 5: Share of the new applicants to RAMED, DAAM, and Tayssir programs registered in the SR.** This sub-component will support the Government's efforts to ensure a smooth transition of the applicants from aforementioned programs into the SR (Figure 7). The transition will need to be planned with care and with the support of adequate awareness and communication campaigns. Since the development of the SR will likely improve targeting performance vis-à-vis the status quo. As such, many households who currently benefit from these programs may become ineligible. In this context, each program will need to develop a clear exit strategy in order to avoid social tensions. At the same time, additional outreach efforts (such as registration campaigns) will be needed to ensure that the poorest households register in the SR. These campaigns will be gender sensitive (to guarantee proper reach to women, especially of female-headed households) and reach vulnerable segments of the population (such as illiterate population, notably women, in remote areas). Based on preliminary discussions, it is likely that households who become ineligible to benefit from the program after registering in the SR will be given the one-year grace period during which they can continue to receive benefits and/or provide additional proof of need.

**Figure 7: Share of the new applicants to RAMED, DAAM, and Tayssir programs registered in the SR (DLI No. 5)**



Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

## Verification Protocols and Disbursement

51. Verification of progress towards achieving the project objectives, DLIs, and DLRs will be conducted through verification reports produced by a credible independent evaluation agency. These reports need to be satisfactory to the World Bank to ensure disbursements. In the context of this project, this role will be given to the IGAT. The IGAT has been satisfactorily used as an independent and credible evaluation agency to verify DLR achievement in the context of recent World Bank-financed operations implemented by the MoI in recent years. The IGAT reports directly to the MoI, which ensures its neutrality vis-à-vis other ministerial departments in charge of the project implementation. The World Bank will be responsible for assuring that the verification of the achievement of each DLR was conducted satisfactorily in compliance with protocols. As such, verification reports will need to be satisfactory to the World Bank; who can request (as needed) additional information and clarification before authorizing related disbursements.

52. Disbursements of some activities under sub-components 2.2 and 2.3 will be triggered by the achievement of the results, supported by claims for reimbursement of eligible expenditures. Upon completion of a DLR, the PMU in collaboration with the IGAT will prepare a verification report providing evidence that the result has been achieved in line with the verification protocols, which needs to be satisfactory for the World Bank. The MEF then submits a withdrawal application for the amount associated with that DLI and provides evidence in recent IFRs that it has spent

funds equal to or greater than those claimed in the EEP. The withdrawal applications can cover one or several DLRs, in any order, at any time, as long as sufficient eligible expenditures have been incurred. Disbursement requests will be presented to the World Bank by the MEF through the electronic disbursement system and using the World Bank disbursement form signed by an authorized Government representative. A copy of the official World Bank communication confirming the achievement of the DLR must be attached to all disbursement requests (detailed verification protocols by DLR are presented in Table 8).

53. Disbursement based on the achievement of DLIs can only be requested when pre-defined targets are met, irrespective of the year of achievement.

**Table 7. DLIs and DLRs matrix for Component 2**

DLI	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	PDI
<b>Component 2.2: SR legally established and operational to become a functional entry point for SSNs</b>						
<b>DLI No. 4:</b> SR legally established and operational to become a functional entry point for SSNs.	<b>DLR 4.1 - US\$3m</b> Draft law for the SR has been validated by the IMSC and transmitted to the Government's General Secretariat. <sup>47</sup>	<b>DLR 4.2 - US\$5m</b> The Council of Government has approved the draft law for the SR.			<b>DLR 4.3 – US\$3m</b> The law for the SR, setting forth that the SR is the entry point for the RAMED, DAAM and Tayssir programs and for any new safety net programs to be introduced by the Borrower, has been published in the National Gazette	
<b>Component 2.3: Transition of RAMED, Tayssir, DAAM programs' beneficiaries into the SR in the Project Area</b>						
<b>DLI No. 5:</b> Share of new applicants to RAMED, DAAM and Tayssir programs registered in the SR	<b>DLR 5.1 - US\$7m</b> The questionnaire and the proxy means test formula of the SR have been validated by the IMSC after testing them on a representative sample of beneficiaries of RAMED, DAAM and Tayssir programs. <sup>48</sup>		<b>DLR 5.2 - US\$5m</b> 40 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR. <sup>49</sup>	<b>DLR 5.3 - US\$4m</b> 80 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	<b>DLR 5.4 – US\$3m</b> 100 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	<b>PDI 3.</b> Share of applicants of the RAMED, Taysir, and DAAM registered in the SR who are in the first consumption quintile in the project area (of which 40 percent female).
<b>Annual disbursement</b>	<b>\$10m</b>	<b>\$5m</b>	<b>\$5m</b>	<b>\$4m</b>	<b>\$6m</b>	<b>Total: \$30m</b>

Note: All dates are indicative as all DLRs can be achieved any time during project implementation.

<sup>47</sup> An important element of the law will be that the SR will be a mandatory point of entry for all individuals seeking to benefit from the RAMED, Tayssir, and DAAM programs.

<sup>48</sup> The SR formula will provide a PMT score that will be used to profile households who apply for SSNs according to their socio-economic conditions (extreme poor, poor, vulnerable, middle class, etc.). The questionnaire collects the information necessary to apply the formula to households who wish to be considered to benefit from SSN. The questionnaire and formula will be tested before rolling them out nationally. The test includes the calculation of the inclusion errors of the formula as well an operation assessment of the operational difficulties that may arise for poor people to complete the questionnaire (length, clarity, complexity, etc.). Necessary adjustments to the formula and questionnaire will be made according to the results of the test.

<sup>49</sup> Numerator: number of new applicants to RAMED, Tayssir, and DAAM (new candidates and renewals) registered in the SR in year t. Denominator: Total number of new applicants to RAMED, DAAM, and Tayssir programs in year t.

**Table 8. DLI Verification Protocols for Component 2**

#	DLI	Main Definitions	Proportional Disbursements allowed? (Yes/No)	Verification protocols		
				Data sources / responsible agencies to provide the data	Agency in charge of collecting proof of completion	Procedure
4	<b>DLI No. 4: SR legally established and operational to become a functional entry point for SSNs</b>	<p>This indicator measures the progress of the implementation of the regulatory and institutional framework for the operationalization of the SR on the base of the following:</p> <ul style="list-style-type: none"> <li>• Development of texts of law for SR. The law should establish the SR as a required entry point and targeting mechanism for SSN programs.</li> <li>• Adoption of texts of Law of SR by the Government Council (CG).</li> </ul> <p><b>DLR 4.1: US\$3m</b> Draft law for the SR has been validated by the IMSC and transmitted to the Government's General Secretariat.</p> <p><b>DLR 4.2: US\$5m</b> The Council of Government has approved the draft law for the SR.</p> <p><b>DLR 4.3: US\$3m</b> The law for the SR, setting forth that the SR is the entry point for the RAMED, DAAM and Tayssir programs and for any new safety net programs to be introduced by the Borrower, has been published in the National Gazette.</p>	No	Project's PMU	IGAT	<p>The IGAT will undertake the following verifications and in accordance with the project's scope:</p> <p><b>DLR 4.1 :</b> The IGAT will verify that :</p> <ul style="list-style-type: none"> <li>• A legal team is in place to prepare the legal framework (laws and regulations) for the SR.</li> <li>• Draft(s) of legal text(s) are transmitted by MoI to SGG.</li> <li>• The World Bank received the verification report of IGAT and the draft(s) of the legal text(s), which should be acceptable to the World Bank.</li> </ul> <p><b>DLR 4.2 :</b> The IGAT will verify that :</p> <ul style="list-style-type: none"> <li>• The draft law for SR is approved by the CG.</li> <li>• The World Bank received the verification report of IGAT and draft law, which should be acceptable to the World Bank.</li> </ul> <p><b>DLR 4.3 :</b> The IGAT will verify that :</p> <ul style="list-style-type: none"> <li>• The law stipulating the SR as unique entry point for the Tayssir, RAMED , DAAM programs and for any new CT/SSNs is published in the National Gazette.</li> <li>• The Word Bank received the verification report of IGAT and the law, which should be acceptable to the World Bank.</li> </ul>



5	<p><b>DLI No. 5:</b> Share of the new applicants to RAMED, DAAM, and Tayssir programs registered in the SR</p>	<p>This indicator measures the new applicants to RAMED, DAAM, and Tayssir beneficiaries at time <math>t</math> in the SR, including the annual new entries, using new registration and targeting frameworks of the SR (questionnaire/formula/targeting process).</p> <p><b>DLR 5.1: US\$7m</b> The questionnaire and the proxy means test formula of the SR have been validated by the IMSC after testing them on a representative sample of beneficiaries of RAMED, DAAM and Tayssir programs<sup>50</sup>.</p> <p><b>DLR 5.2: US\$5m</b> 40 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.<sup>51</sup></p>	No	<ul style="list-style-type: none"> <li>• Project PMU;</li> <li>• HCP;</li> <li>• MIS of SR;</li> <li>• SR;</li> <li>• RAMED database;</li> <li>• DAAM database;</li> <li>• Tayssir database.</li> </ul>	IGAT	<p>The IGAT will undertake the following verifications and in accordance with the project's scope:</p> <p><b>DLR 5.1 :</b> verify that :</p> <ol style="list-style-type: none"> <li>1. The Scoring formula and SR questionnaire were elaborated by HCP in close collaboration with the World Bank, using the 2014 household survey, and is acceptable to the World Bank.</li> <li>2. The questionnaire and the SR formula are tested on a representative sample of beneficiaries of RAMED /DAAM/Tayssir.</li> <li>3. Methods of testing, the representativeness of the sample and the test results are validated by the HCP.</li> <li>4. The formula's errors of inclusion are calculated by HCP in close collaboration with the World Bank and are acceptable to the World Bank.</li> <li>5. The scoring formula/questionnaire is adjusted based test (as required). These adjustments are made by the HCP, in close collaboration with the World Bank.</li> <li>6. The Scoring formula and questionnaire are acceptable to the HCP and the World Bank, and validated by the IMSC.</li> </ol> <p>At the end of verification mission, the IGAT will send to the World Bank:</p> <ul style="list-style-type: none"> <li>- The report with the simulations based on the HCP 2014 household survey (verification point 1);</li> <li>- The depersonalized database of the test surveys (survey financed by the project in 2017);</li> <li>- The verification report with the test based on a representative sample of beneficiaries of RAMED /DAAM/Tayssir (verifications 2, 3 and 4).</li> </ul> <p><b>DLR 5.2, 5.3, 5.4 :</b> Based on the management and information systems (MIS) of the SR and the MIS of RAMED, DAAM, and Tayssir (plus administrative data as required), the IGAT will verify:</p> <ol style="list-style-type: none"> <li>1. The new applicants of RAMED, DAAM, and Tayssir in year <math>t</math>, including the renewals.</li> </ol>
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<sup>50</sup> The SR formula will provide a PMT score that will be used to profile households who apply for SSNs according to their socio-economic conditions (extreme poor, poor, vulnerable, middle class, etc.). The questionnaire collects the information necessary to apply the formula to households who wish to be considered to benefit from SSN. The questionnaire and formula will be tested before rolling them out nationally. The test includes the calculation of the inclusion errors of the formula as well an operation assessment of the operational difficulties that may arise for poor people to complete the questionnaire (length, clarity, complexity, etc.). Necessary adjustments to the formula and questionnaire will be made according to the results of the test.

<sup>51</sup> Numerator: flow of new applicants of RAMED, Tayssir, and DAAM programs (new applicants and renewals) in the SR at year  $t$ . Denominator: total flow of new applicants of RAMED, Tayssir and DAAM programs (new applicants and renewals) at year  $t$ .

		<p><b>DLR 5.3: US\$4m</b> 80 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.</p> <p><b>DLR 5.4: US\$3m</b> 100 percent of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.</p>				<p>2. The new applicants, by gender, of RAMED, DAAM, and Tayssir in year <math>t</math>, including the renewals, that are registered in the SR (using the SR registration form and formula).</p> <p>To conduct these verifications:</p> <p>3. DSIC will establish and send to the IGAT, no later than 3 weeks before the beginning of the verification missions, a depersonalized database, by gender, from the SR and from new applicants to RAMED and DAAM programs.</p> <p>4. The Ministry of National Education will establish and send to the IGAT, no later than 3 weeks before the beginning of the verification missions, a depersonalized database, by gender, of Tayssir.</p> <p>5. The IGAT will ensure the technical quality of (i) the depersonalized data; (ii) the process of updating and feeding the databases; (iii) the IT processes; (iv) the monitoring interfaces; and (v) the dashboards of the information system.</p> <p>At the end of verification mission, the IGAT will send to the World Bank:</p> <ul style="list-style-type: none"> <li>• Verification reports covering the process and the results of the verifications;</li> <li>• The technical specifications describing the requirements in terms of RS data quality and reliability, and the process of updating and data feeding;</li> <li>• The documents with the tests (final product).</li> </ul> <p>6. The World Bank will participate in demonstration sessions of the operational systems and in interactive presentations of the interfaces and dashboards of the RS, during which the World Bank would request, on-site, to consult the database to produce descriptive statistics and summary tables related to the achievement of the DLR and to ensure the quality of the information on the households in the RS.</p>
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**Table 9. Multiannual Plan of Activities for Component 2**

2017	2018	2019	2020	2021
<b>Design, development, and rollout of the SR</b>				
Preparation of TORs for a consultant to elaborate a draft questionnaire for the new targeting framework for the SR (including a new targeting formula)				
Prepare a study on the development of the scoring formula/questionnaire and validation of SR questionnaire and formula by the IMSC after testing it on a representative sample of beneficiaries	Implementation of the new targeting framework: Beneficiaries of the RAMED/DAAM and Tayssir programs registered in the SR	Beneficiaries of the RAMED/DAAM and Tayssir programs registered in the SR	Beneficiaries of the RAMED/DAAM and Tayssir programs registered in the SR	Beneficiaries of the RAMED/DAAM and Tayssir programs registered in the SR
Preparation of the TORs for the (i) process evaluation for the three selected programs (Tayssir, RAMED, and DAAM); (ii) harmonization of the targeting mechanisms and accompaniment measures for the transition of the households/programs / exit strategies; and (iii) update of the operational manuals of the three programs				
Evaluation of errors of inclusion and exclusion of the RAMED formula using the HCP consumption survey of 2014	—	—	—	—
Elaboration/validation of tender specifications and consultants' TORs for the design and development of the SR <sup>52</sup>	—	—	—	—
Selection of consultant firm and elaboration of SR study, including the system design and architecture	Validation and reception of all the deliverables of the study	—	—	—
Validation of deliverables <sup>53</sup> of SR study	—	—	—	—

<sup>52</sup> Preparation of specifications tender and TORs of consultants consulting firm to (i) assess technical and institutional feasibility of the SR; (ii) develop processes and procedures to roll out the SR (front office and back office); and (iii) draft a technical proposal for SR architecture (including data management and systems integration modules with other information systems and interface with services and individuals/SR Interoperability mechanisms with other databases, data mining/Business Intelligence ), manual operations/procedures

<sup>53</sup> Validation of deliverables of the study: (i) draft operational manual/SR procedures; (ii) technical architecture of the SR; (iii) specifications to develop the technical infrastructure of the SR; and (iii) grievance and redress systems

Evaluation of the processes of Tayssir, RAMED, and DAAM programs and update of their operational manuals	Implementation of a grievance redress system	—	—	—
Elaboration, validation and roll out of the communication strategy	Implementation of communication strategy	Implementation of communication strategy	Registration of new subscribers into the SR	Registration of new subscribers into the SR
Procurement and equipment for ICTs (software, hardware...)		Applicants of RAMED and DAAM use the SR to enter the program	Applicants of RAMED and DAAM use the SR to enter the program	Applicants of RAMED and DAAM use the SR to enter the program
Elaboration of planning to develop and test the SR system	—	New applicants of Tayssir use the SR to enter the program	New applicants of Tayssir use the SR to enter the program	New applicants of Tayssir use the SR to enter the program
—	—	—	Evaluation of the communication strategy	—
<b>Assessment of Data Quality</b>				
Estimation of the share of RAMED beneficiaries that are in the first quintile of the consumption using the HCP consumption survey of 2014	—	—		—
Survey on a representative sample of RAMED beneficiaries to test the SR formula and form/questionnaire			Survey on a representative sample of subscribers to the SR to evaluate the performance of the SR formula and form/questionnaire	
IT Audit of SR system conducted by IGAT	—	IT Audit of SR system conducted by IGAT	—	—

<b>Development of Legal Framework (laws and regulations)</b>				
Establishment of the legal team	—	Institutionalization of the SR and obligation of its technical use by social programs	—	—
Proposition of a road map for the legal and regulatory framework to cover the technical aspects of the SR (including the formula)				
Identification of legal and regulatory requirements (RAMED, Tayssir, DAAM) and interoperability needs with other MISs —	Adoption of regulatory measures (amendments to the regulatory texts of the three programs RAMED, Tayssir, and DAAM)	—	—	—
Identification of needs in capacity buildings and elaboration of action plan for the implementation of the legal framework	—	—	—	—
Roll out of action plan	—	—	—	—
Development and signature of MoUs and operational protocols with stakeholders (RAMED, Tayssir, DAAM, and HCP)				
Development of legal framework/project of law requiring the use of the SR as a mandatory entry point for all social programs	The Council of Government has adopted a draft law for the SR and the SGG sends legal text to the Parliament.	—	Enforcement of the legal framework requiring the use of the SR as a mandatory entry point for all social programs	Enforcement of the legal framework requiring the use of the SR as a mandatory entry point for all social programs

**Table 10. Detailed Budget by Activity for Component 2**

<b>Activity: Evaluation of Programs that Will Use the SR as an Entry Point and Development of New Registration Procedures</b>	<b>Sub-activity</b>	<b>Number of Days During Project Implementation (60 months)</b>	<b>Cost (US\$, million)</b>
Process evaluation and updating of the operational manual of RAMED	–	80	0.08
Process evaluation and updating of the operational manual of Tayssir	–	100	0.10
Process evaluation and updating of the operational manual of DAAM	–	20	0.02
Development and updating of the new scoring formula/registration form/national targeting framework	–	100	0.10
Development and updating of operational manuals/technical documentation (SR registration procedures, updating of the scoring formula, grievance redress mechanisms, and so on)	–	200	0.20
<b>Total</b>	–	–	<b>0.50</b>

<b>Activity: System Design and Development</b>		<b>Sub-activity</b>	<b>Number of Days During Project Implementation<sup>54</sup> (60 months)</b>	<b>Cost (US\$, millions)</b>
Drafting of the RFPs for the DS (DS architecture, DS update, and other necessary ICT applications during the project lifetime); (data warehouse, dashboard, data anonymization, business intelligence, interoperability modules, e-services); and (200 days for the first year, 200 days for the second year, and 50 days per year for the remaining years)		–	550	0.55
Data Information Infrastructure Development	Web portal (90 days for the first year and 30 days per year for the remaining four years)	1. Interactive space (Entry-follow-up-complaint...) 2. Information space 3. Updating 4. Additional applications (e-services)	210	2.0
	Web portal (200 days for the first two years and 30 days per year for the remaining three years)	1. Scoring 2. Data mining services 3. Updating/revisions of the DS 4. Dashboard (outputs and outcomes)	290	
	Data Exchange Module	1. Exchange with the MET	200	

<sup>54</sup> Based on industry benchmarks for Morocco ICT projects (provided by the DSIC), the expected cost of a work day for system design is approximately US\$1,000 and for system development is approximately US\$2,860.

Activity: System Design and Development		Sub-activity	Number of Days During Project Implementation <sup>54</sup> (60 months)	Cost (US\$, millions)
		2. Exchange with the NPR 3. Exchange with the DS CNIE 4. Exchange with the MoE (TAYSSIR and MASSAR) 5. Exchange with DGI 6. Exchange with the Ministry of Finance 7. Exchange with (CNOPS, CNSS, RCAR, RAMED, and so on) 8. Individual data anonymization modules 9. Update/revision of the module 10. Modules e-services (for the Government/citizens)		
Data center	Purchasing of the data center/server	—	—	1.5
	Purchasing of software for the data center	—	—	0.7
	Setup	1. Setup of the operating system 2. Setup of application servers 3. Setup of application database servers 4. Setup of security mechanisms 5. Setup of exchange mechanisms	—	0.3
<b>Total</b>		—	—	<b>5.10</b>

<b>Activity: Data Collection/Household Registration</b>	<b>Unit Cost</b>	<b>Number of Units During Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Data collection in the local administrative centers: RAMED, TAYSSIR, and DAAM beneficiaries (software, personnel, printing, data entry)	To be taken care of by the MoI (refer to DLIs)	4.1 million	0
Mobile registration units in rural regions/remote regions (salary of additional staff, transportation, data entry)	5 per household	250,000 (about 10% of total rural households)	1.25
Laptop/tablets (including their Internet access, software, and so on)	1,200 per tablet	125 (125 surveyors)	0.15
<b>Total</b>	—	—	<b>1.4</b>
<b>Activity: Acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals</b>	<b>Unit Cost</b>	<b>Number of Units During Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Acquisition and development of hardware and software necessary to verify and authenticate the identity of individuals	—	—	10.0
<b>Total</b>	—	—	<b>10.0</b>

<b>Activity: Technical Update of Existing Information Systems of Programs That Will Use the SR as a Point of Entry</b>	<b>Sub-activity</b>	<b>Number of Days During Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Preparation of RFP for the updating of DS of RAMED, TAYSSIR, and DAAM in conformity/coherence with the SR (20 days per system)	—	60	0.06
Development (40 days per system)	—	120	0.12
Hardware	If necessary, to be taken care by the relevant department (to be discussed/verified)	—	—
<b>Total</b>	—	—	<b>0.18</b>



<b>Activity: Assessment of Data Quality and of the Targeting Performance of the SR</b>	<b>Unit Cost</b>	<b>Number of Units During Project Lifetime (60 months)</b>	<b>Cost (US\$, millions)</b>
Testing of the new registration form/scoring formula on a representative sample of RAMED beneficiaries (training, collection, entry, transportation, and salaries)	30 per household	3,000	0.09
A survey based on a random sample taken from the newly registered in the SR (2019) (training, collection, entry, transportation, and salaries)	30 per household	3,000	0.09
A survey based on a random sample taken from the newly registered in the SR (2021) (training, collection, entry, transportation, and salaries)	30 per household	3,000	0.09
Random verification of declared information (1,000 households per year after 2018) (training, collection, entry, transportation, and salaries) (to be included in multiannual planning)	30 per household	3,000	0.09
Data analysis (40 days in 2017, 80 days in 2019, 40 days in 2020, 80 days in 2012)	—	240	0.24
<b>Total</b>	—	—	<b>0.6</b>

**Component 3: Project Management, Capacity Building, and Monitoring and Evaluation (US\$4.75 million)**

54. This component will support project management and ensure that the project is successfully and efficiently implemented using IPF. The component will also finance incremental operating costs incurred by the PMU: (i) to implement the project, including provision of advisory services and training, carrying out of audits for the project and financing of incremental operating costs; and (ii) to develop an integrated Monitoring and Evaluation (M&E) system for the project. The component will also finance the necessary incremental expenditures incurred by the PMU on account of project implementation, management and monitoring, including office supplies and utilities; office consumables; office administration, including translation, interpretation, printing and advertising, communication costs, reasonable commercial bank charges; reasonable and necessary transportation and travel costs of members of the PMU, but it will exclude salaries of officials and employees of the Borrower’s civil service.

55. **Project implementation.** The component will finance the costs related to the operation of a PMU within the MoI to ensure that the project is successfully and efficiently implemented in conformity with the Loan Agreement, the project appraisal document, and the POM. The PMU is responsible for the overall inter-sectoral coordination and the implementation of the project activities. This PMU will need to integrate the different roles and responsibilities for the delivery of Components 1 and 2 to ensure Inter-ministerial coordination, improve the quality of programming, and maximize outreach to citizens. The component will finance technical consultants and staff salaries (non-civil servants) needed by the PMU for project implementation, equipment, operating costs for the PMU directly linked to the daily management of the project, and regular internal audits and annual external audits.

56. **Institutional capacity building and training.** This component will finance the equipment of the units that will be in charge to manage and maintain the NPR/SR as well as the development of their institutional framework and operational manuals. The component will also provide existing staff from user institutions the necessary training to properly operate and implement the NPR and the SR.

**Table 11: Activities to be Financed Under this Component (US4.75 Million)**

	<b>US\$ Million</b>
Project management	3.75
Monitoring et Evaluation	1.00
<b>TOTAL</b>	<b>4.75</b>

## B. Project Economic Analysis

### *Expected Benefits of the Intervention*

57. **Development of the NPR and the SR will contribute to improving efficiency of social expenditures, particularly of SSNs.** The proposed project will contribute to the development of a “national public good” that will:

- **Reduce costs related to identity verification.** The activities undertaken by the project will facilitate current processes of identity verification and will also contribute to reducing transaction costs that arise from the proliferation of the multiple IDs that are currently used by citizens to provide proof for their identity. A modern/digital civil register will significantly reduce private transactions cost (transport time and issue of paper copies, among others).
- **Promote savings due to errors, duplication, and fraud.** The actions supported under this project will contribute to building a robust and reliable information basis about program recipients and to reduce leakage, duplication, and fraud (further contributing to reducing costs).
- **Reduce the cost to target beneficiaries of SSNs.** Estimates based on international experiences (World Bank, 2014) indicate that targeting potential beneficiaries of safety nets can account for 25 to 75 percent of all administrative costs related to the implementation of social programs. The development of an SR will contribute to consolidating the administrative processes linked to targeting and registration of several SSN programs, thus reducing administrative costs.
- **Foster a more progressive allocation of social expenditures.** The harmonization and update of targeting process across programs and will decrease inclusion and exclusion errors, thus making spending on SSN more progressive and effective.
- **Promote social inclusion.** Activities supported by the project will contribute to (i) “identity” inclusion for some very disadvantaged segments of the population and (ii) higher take-up of the poorest households in the main national SSN programs.

58. Better systems for targeting and identification will be particularly beneficial for women. Indeed, identification is a critical factor for gender equality and the empowerment of women across multiple policy areas. Evidence shows that unique identification has direct benefits to women and their families, accruing from their ability to access Government benefits and services and economic opportunities (Box 3).

### Box 3: Benefits of Identification on Gender

Better identification systems can improve gender equality across multiple policy areas:

- *Access to Financial Services.* Legal proof of identity is central to the ability to access financial services; notably for women.
- *Access to social protection and empowerment.* A digital ID can ensure that benefits meant for women, such as CCTs, actually reach women. In Pakistan, for example, the use of biometric IDs is a precondition for accessing CT programs, ensuring that payments to female beneficiaries are delivered directly to them rather than to their husbands or brothers, as had been common under the previous system.
- *Political participation.* While requirements for voter ID vary between countries, often women get completely sidelined from any electoral process if they do not possess a recognized form of ID or a voter card. This occurs because women are more likely to be illiterate and social norms may restrict their mobility, preventing them from traveling to and entering public offices to obtain documentation.

Source: Dahan and Hanmer (2015)

59. **The project will improve the targeting performance of main SSNs in Morocco.** Some of the most important social assistance programs in Morocco are targeted geographically to the so-called INDH communities (403 communities nationwide)<sup>55</sup>. These communities have been identified mainly using available poverty maps (i.e. communities displaying poverty rates above 30 percent) although other communities have been included through a process of negotiation with the local governments (in communities where prevalence of high rates of poverty are evident – albeit excluded by the poverty map). While this approach is better than no targeting at all, it involves high errors of exclusion and inclusion for programs that mainly target individuals and households. Indeed, recent analysis conducted in the World Bank indicates that over two thirds of all households in extreme poverty (i.e. those in the first and second decile of per capita expenditures) live in localities that are not included as INDH communities (World Bank and National Observatory of Human Development (*Observatoire National du Développement Humain* – ONDH 2015). In addition, the targeting performance of the scoring formula of the RAMED program and the geographic targeting of the Tayssir program have room for improvement (Table 12).<sup>56</sup>

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<sup>55</sup> INDH is a social fund targeting the poorest communities in the country and benefiting over 1.4 million beneficiaries on a yearly basis.

<sup>56</sup> Data from the 2007 HCP survey were initially used to calibrate the RAMED formula. The results presented in Table 11, using the ONHD household panel survey, although based on robust experimental analysis, are subject to some reservations. First, the consumption aggregate of the ONDH survey is not the same as the consumption aggregate of the HCP survey. Secondly, the study only evaluates the performance of the RAMED formula but does not evaluate the performance of local commissions, which ultimately are responsible for determining the eligibility of the program candidates.

**Table 12: Targeting Performance (Household Level)**

Decile	TAYSSIR			RAMED		
	Non-Eligible	Eligible	Total Households	Non-Eligible	Eligible	Total Households
1	571,559	109,903	681,462	464,967	216,495	681,462
2	590,522	90,780	681,302	453,966	227,336	681,302
3	634,560	<b>46,592</b>	681,152	463,986	<b>217,167</b>	681,152
4	659,739	<b>21,513</b>	681,251	495,400	<b>185,852</b>	681,251
5	663,322	<b>18,336</b>	681,658	505,734	<b>175,924</b>	681,658
6	679,050	<b>2,448</b>	681,497	548,906	<b>132,591</b>	681,497
7	676,925	<b>4,490</b>	681,415	593,331	<b>88,084</b>	681,415
8	679,335	<b>905</b>	680,241	620,612	<b>59,629</b>	680,241
9	678,410	<b>2,875</b>	681,285	634,402	<b>46,883</b>	681,285
10	681,197	<b>0</b>	681,197	667,696	<b>13,501</b>	681,197
<b>Total</b>	6,514,619	297,841	6,812,460	5,448,999	1,363,461	6,812,460

Source: World Bank estimates using 2012 ONDH household data.

### *Cost Effectiveness of the Intervention*

60. **Better targeting could substantially enhance the effectiveness of SSNs to reduce poverty.** The impact on household welfare of the RAMED and Tayssir programs can be estimated using micro-survey and administrative data. First, we calculate the per capita/per household RAMED and Tayssir transfers (in monetary terms) based on available administrative data (i.e. total program expenditures – not accounting for program administrative costs – divided by the total number of beneficiaries).<sup>57</sup> Second, these per capita transfer can be deducted from the total household per capita expenditure aggregate in order to recalculate poverty rates in the absence of the program.<sup>58</sup> Results in Table 15 indicate that, under such assumptions, in the absence of the Tayssir and RAMED programs, poverty and vulnerability in Morocco would increase by around 1.5 percentage points. If the financial allocations for these programs were targeted to the poorest households (those in the poorest 3 deciles), the poverty impact of the programs would be twice as large, thus contributing to decreasing poverty and vulnerability by up to 2.6 percentage points nationally (and by up to 5 percentage point in rural areas). These results indicate that improving targeting performance would significantly improve cost effectiveness (in terms of poverty reduction) of the Government’s investments in these two flagship SSNs.

<sup>57</sup> This would amount to an average per capita transfer of 138 MAD per year for RAMED and of 876 MAD per year for Tayssir.

<sup>58</sup> Estimations assure that all program expenditures go to the beneficiary households.

**Table 13: Impacts on Poverty/Vulnerability of better targeting (estimates for year 2012)**

	National		Rural	
	Poverty	Vulnerability	Poverty	Vulnerability
<b>Observed</b>	5.1	17.0	9.8	30.7
	<b>RAMED</b>			
Without RAMED	5.3	17.3	9.9	30.9
% Change	5%	2%	1%	1%
In % points	0.2	0.3	0.1	0.2
Improved Targeting	3.7	16.9	7.0	29.9
% Change	-26%	-1%	-29%	-3%
In % points	-1.3	-0.1	-2.8	-0.8
	<b>TAYSSIR</b>			
Without Tayssir	6.5	18.4	13.6	34.1
% Change	30%	8%	38%	11%
In % points	1.5	1.4	3.7	3.4
Improved Targeting	2.4	15.2	4.9	27.8
% Change	-52.2%	-10.7%	-50.5%	-9.4%
In % points	-2.6	-1.8	-5.0	-2.9

Source: World Bank estimates using 2012 ONDH household data.

### *Cost-benefit Analysis*

61. In order to conduct a cost-estimate analysis of the project and ultimately to calculate the project's 5-year IRR; the following assumptions are made:

- a. *Benefits from improved targeting performance:* The project will contribute to reducing errors of inclusion (and thus program leakages) according to the schedule presented in Table 12. Targets in Table 12 are consistent with those set in the project M&E framework (Annex 1).
- b. *Benefits from administrative efficiency:* the project will contribute to savings in time and costs spent by program applicants in order to provide proof of identity. We estimate such savings at two work hours per year per household (at the minimum wage) for all households benefiting from the RAMED, DAAM, and Tayssir programs.
- c. *Benefits from deduplication:* the project will contribute to cleaning current datasets from duplicates and phantoms (5 percent of total beneficiaries per year)

**Table 14: Program Error of Exclusion: Baseline and Project Targets**

Errors of inclusion	Baseline	Target 2017	Target 2018	Target 2019	Target 2020	Target 2021
RAMED	62%	62%	50%	45%	40%	35%
Tayssir	30%	30%	30%	25%	25%	20%

62. Under these assumptions, and following up the estimated project disbursement schedule, the project will have a 19 percent 5-year IRR (Table 15).

**Table 15: Five-year Cost-benefit Analysis**

	2017	2018	2019	2020	2021
<b>Benefits (US \$ million)</b>					
From better targeting	-	12.63	22.74	14.59	14.94
From Admin. Efficiency	-	1.43	2.29	4.86	5.72
From deduplication (5% of beneficiaries/year)	-	9.88	9.98	10.08	10.18
Total Benefits	-	23.95	35.01	29.54	30.85
<b>Cost (US \$ million)</b>	(26.00)	(26.00)	(21.00)	(18.00)	(9.00)
Total Benefits - Total Cost	(26.00)	(2.05)	14.01	11.54	21.85
<b>IRR (5-years)</b>	<b>19%</b>				

Note: estimations assume a 4 percent discount rate, a 2 percent growth in program registration (RAMED and Tayssir).

### *World Bank's value added*

63. The Bank offers in-depth technical knowledge and expertise in the areas of social protection, targeting, and identification, as well as international experience supporting governments to design and implement more equitable, transparent, and efficient systems for social service delivery. Furthermore, this proposed operation builds upon policy recommendations resulting from World Bank's analytical work and a long policy dialogue aiming to support the Government of Morocco to develop a more efficient, integrated, and equitable social protection system.

### **C. Choice of Financing Instrument**

64. The choice of the IPF as the financing instrument has primarily been guided by the intended objectives of this operation. The Bank has traditionally supported the social sector in Morocco through series of IPFs and Development Policy Financing (DPFs). During the early stage of project preparation, the operation was conceived as an IPF financing inputs (i.e. the development of a series of information systems to improve targeting and identity verification). However, technical assessments during preparation indicated that beyond information systems, the project would need to support the development of a series of institutional and legal frameworks to ensure the adequate utilization and sustainability of the envisioned information systems. In this context, IPFs with DLIs have shown to be an efficient approach to support the implementation of reforms in the social sector, especially those dealing with changing institutional processes among various stakeholders. Finally, the operation is supporting a particular project (inputs) rather than a program.

65. **The project will support an EEP.** In particular, the project will reimburse a portion of the Government's expenditures on SSNs. Within the overall expenditures on SSN, specific programs would be qualified for World Bank reimbursement if they meet an established set of criteria for inclusion in the pooled EEP. These criteria focus on safeguarding entry into the pooled EEP to those programs which relate to the results of the projects and have robust fiduciary arrangements and traceability of the transfer of funds to beneficiaries, and would be subject to regular oversight and controls. By this set of criteria, two of the three programs qualify for World Bank reimbursement in the pooled EEP for this Project. These two programs include: (a) the Tayssir CCT program, targeting poor families to educate their children, an education CCT benefiting about 833,000 children in 2015 in selected regions; and (b) the DAAM CT, a CT program for widows in

difficult situations taking care of orphans. These two programs have suitable internal controls through preparation by management units, in coordination of central and country branches monitoring these programs, of regular reports before and following receipt of transfers, providing information on the project monitoring as regards the progress made in various activities (applications, payments, case management, etc.). Finally, the EEP is significantly larger than the expected disbursements of the project at any given year.

#### **D. Phasing of the Reform and Links Between the SR and the NPR**

66. SSN systems, programs, and policies help buffer individuals from shocks and equip them to improve their livelihoods and create opportunities to build a better life for themselves and their families. SSN and Systems and Programs evolve in complexity over time – and the mix of instruments greatly depends on the country context and “starting point.” In Morocco, the starting point for its SSN delivery systems is characterized by five main elements (see Angel-Urdinola et al. 2015 for more details):

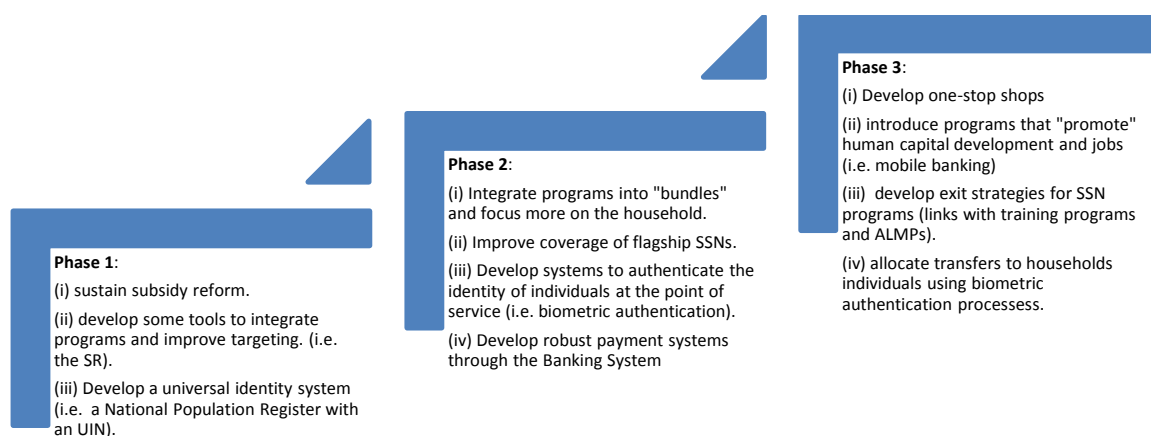
- **Universal subsidies still account for the majority of expenditures:** Latest available data for 2013 indicates that the total public expenditures on subsidies (at 4.2 percent of GDP) represented 80 percent of all expenditures on social assistance while the non-subsidy safety nets programs budget was only 20 percent (at 1.1 percent of GDP).
- **Most programs are in-kind but some CTs exist:** Morocco has developed different SSN programs covering several sectors: (a) education support; (b) non-contributory health; (c) social assistance targeted to particular groups (such as widows, orphans, and disabled); and (d) social funds, mainly to revamp local infrastructure and create revenue-generating activities through the INDH.
- **Coverage of non-subsidy transfers remains low.** Despite the plethora of programs, the system falls short with regard to coverage of the poorest population and does not address important life cycle risks, especially for children.
- **Program and institutional fragmentation.** Most social programs operate in silos (different targeting methods, different information systems, different points of contact with the population).
- **Targeting methods are diverse and not effective.** Most social transfers in Morocco are targeted geographically and/or to especial categories of the population (such as orphans, widows, etc.). Current targeting practices display very high errors of inclusion and exclusion.
- **Identity verification at the point of service is weak.** Morocco does not dispose of a universal identity system, which makes it difficult to verify the identity of individuals, and mainly of children. When delivering social services to the eligible population, the identity of adults is often verified by looking at their picture included in their national ID card (an ID verification that needs improvement, especially for the allocation of social transfers). The identity of minors cannot be verified.



## Phasing of the Reform

67. In this context, Morocco needs to develop a phased reform with the vision of developing a better delivery system for SSNs that: (i) is more integrated; (ii) displays higher coverage; (iii) allocates resources more progressively and with better governance; (iv) develops better systems of ID verification and payments; and (v) promotes human capital and jobs (see Figure 8).

**Figure 8: Phased Reform for the Delivery of SSNs in Morocco**



68. The development of the SR and the NPR is expected to support the first phase of the reform and to build the blocks necessary to prepare the next phases. During the lifetime of the project, the SR will improve governance, targeting, and coordination of three main flagship SSNs in Morocco (RAMED, Tayssir, and DAAM). Beyond screening households (or individuals) for eligibility of benefits and services, the SR is expected to become a powerful administrative tool that allows for monitoring, data mining, and business intelligence in relation to the design, implementation, and administration of social programs. The development of the social registry, which will also be the basis for revising targeting methods of social programs, will allow the Government to provide more effective support to the poor and vulnerable population of the country and reduce implementation errors and fraud and promote savings to the administration. In the medium term, it is expected that, thanks for this reform, other programs (as well as new programs) will also use the SR as an entry point and that existing social programs will need to extend their coverage to the poorest segments of the population.

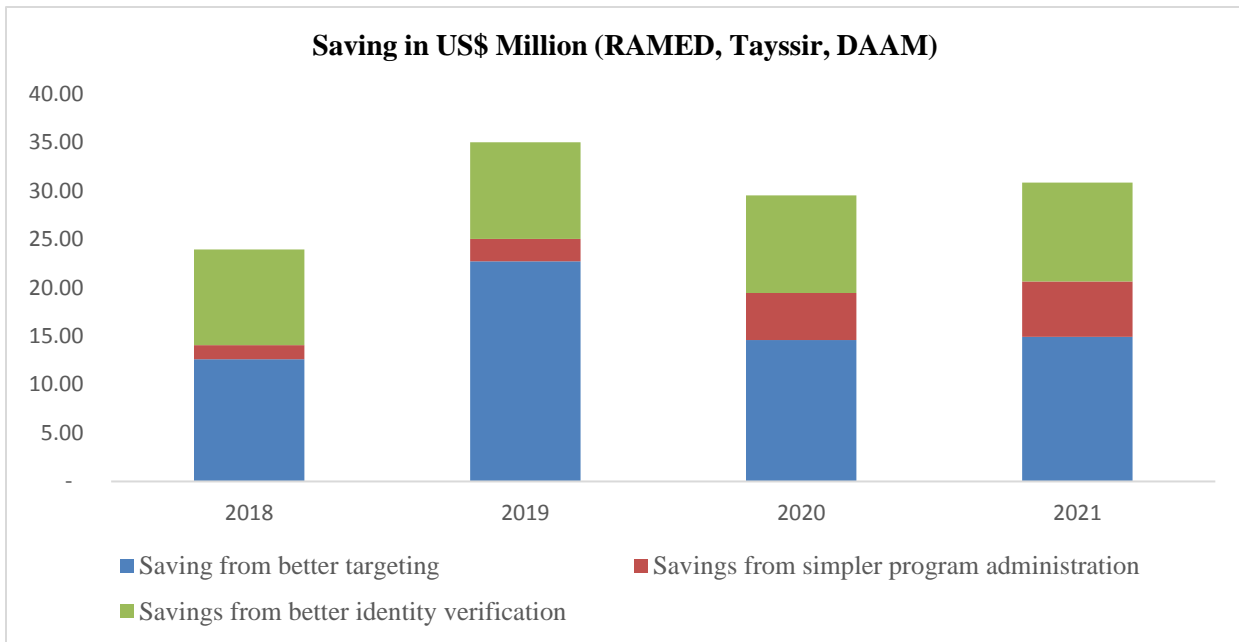
69. During the life of the project, the NPR will support the development of a universal ID system that will allow programs to better verify the identity of SSN beneficiaries (to avoid fraud and double dipping). In the short term, the UIN will remain as a back office identifier that will allow the administration to better assess the identity of beneficiaries of SSNs and promote interoperability between a selected set of information systems. Thus, in the medium run, the UIN could fill the gaps of the identity ecosystem in Morocco since the main national identity program, the CNIE does not cover the minor population and lacks authentication and digital integration with services. The GoM could rely on the UIN as an electronic identity authentication tool. Beyond benefits to the SP sector, a universal ID system with proper authentication capabilities in the medium term can contribute to the development of secure and efficient payment systems while promoting the development of private industries such as mobile banking and e-commerce.

## Links and Complementarities between the SR and the NPR

70. The SR and the NPR are complementary tools to improve governance and efficiency in the allocation of social expenditures:

- The Social Register allows for better targeting, thus making social transfers more pro-poor. It is estimated that currently, more than 60% of all the allocations of the main flagship social transfers in Morocco (RAMED, Tayssir, and DAAM) are going to no-poor individuals (more details in World Bank, 2014). By decreasing exclusion errors, the introduction of the SR is expected to promote savings in these 3 programs of about US\$65 million during the life of the project (Figure 9).
- The NPR serves to ensure that the identity of beneficiaries of SSNs can be verified. This prevents fraud (i.e. that individuals claim benefits in the name of other individuals), program double dipping (i.e. that beneficiaries are not receiving twice or more from the same benefit), and program ghost (i.e. that individuals use fake identities to receive social transfers, they are not eligible either). It is estimated that due to the lack of a robust/universal ID system, between 10 and 15% of all beneficiaries of the main flagship social transfers in Morocco (RAMED, Tayssir, and DAAM) are duplicates and/or ghosts. In this context, the introduction of the NPR is expected to promote savings in these 3 programs of about US\$40 million during the life of the project (Figure 9).
- The main link between the two registers is the UIN which will ensure that the SR does not include duplicates and phantoms (i.e. fake records). Also, the UIN will facilitate the SR to cross check socio-economic information in the SR with other datasets (such as utilities, taxes, etc.). Without the NPR, the SR will still contain duplicates, phantoms, and problems to operationalize identity verification and payments (especially of CTs). Nonetheless, both projects can be implemented simultaneously and independently (i.e. in the case the SR is operational before the NPR, the UIN can be seeded to the SR subsequently).
- Finally, both the introduction of the SR and the NPR will contribute to savings in an administrative process (i.e. simpler verification of the identity of beneficiaries and better identification of households according to their socio-economic conditions). The introduction of the NPR and the SR is expected to promote savings in the administrative processes of the 3 programs of about US\$15 million during the life of the project (Figure 9).

**Figure 9: Expecting Savings on Social Expenditures thanks to the Introduction of the SR and NPR during the Life Cycle of the Project**



*Note:* estimates come from the project's economic analysis (section B, above)

## Annex 3: Implementation Arrangements

### MOROCCO: Identity and Targeting for Social Protection Project

#### Project Institutional and Implementation Arrangements

1. The MoI will be responsible for the project implementation. It will lead the development and rollout of the NPR with a UIN (Component 1) as well as the development and rollout of the SR (Component 2) through its offices at the central, governorate, and district levels. Such tasks entail a significant level of implementation and institutional arrangements both within the MoI and across the different ministries and agencies involved in the implementation of this reform. From that perspective, a PMU was established pursuant to Decision No. 6450 dated September 8, 2016, issued by MoI, with the mandate of ensuring project implementation as well as two technical committees (one for the NPR/UIN and one for the SR) under the general oversight of the IMCS.

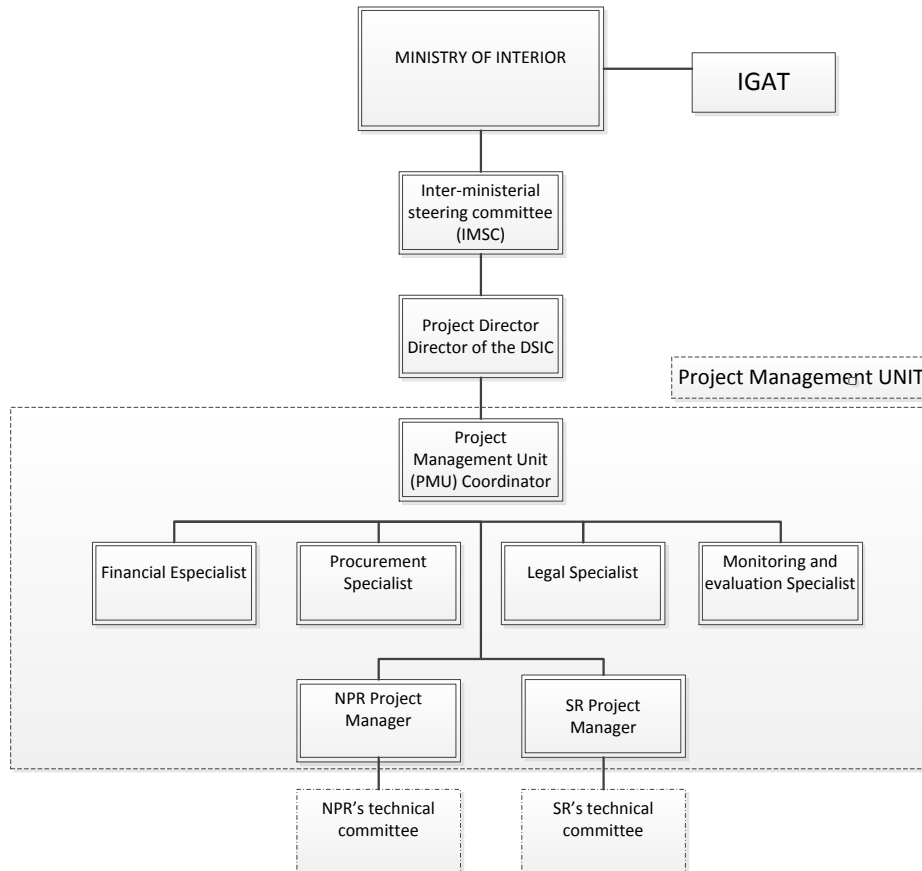
2. **Policy coordination and oversight.** At the policy level, an IMSC was established through Inter-ministerial agreements for the implementation of the NPR and SR, dated September 16, 2016 and December 1, 2016, respectively; given the importance and complexity of the reforms supported by the project. The IMSC will be headed by the secretary general of the MoI and composed of the secretary generals of the MoH, MoSWFSD, MNEVT, MEF, MAGG, and HCP. The agreements specifies the terms of reference for the IMSC, whose role will be to: (a) ensure consistency of project activities with policies, sectoral strategies and national priorities; (b) review and validate technical, institutional, and regulatory proposals for the design and the implementation of the project; (c) validate annual work programs; (d) monitor their progress as well as the timely implementation of project activities; (e) review progress in monitoring the implementation of project activities and assess progress; (f) examine the project implementation challenges, make the necessary trade-offs, propose appropriate solutions and make the necessary adjustments where necessary; (g) take all necessary measures to facilitate the execution of the activities and ensure effective implementation of the project; and (h) oversee the project's institutional communication. In the medium term (2-3 years after project launch), the Government will determine whether it is possible to include private sector stakeholders in the IMSC, including utilities and banks (i.e., stakeholders likely to benefit from the deployment of a strong and universal identity and identification program).

3. **Project Director.** The Project Director is the direct interlocutor of the World Bank. Its main tasks are to: (i) validate the technical specifications (TOR), the reports produced and the progress reports; (ii) ensure the quality and achievement of the expected results of the project; (iii) represent the project; and (iv) manage project institutional communication.

4. **PMU.** A PMU to support the project implementation was established pursuant to Decision No. 6450 dated September 8, 2016 issued by MoI. The PMU is managed by a Coordinator, who in charge of the overall coordination of project activities and of the daily management of the project, including all fiduciary, monitoring and reporting aspects. The Coordinator reports to the Project Director and ensures the coordination across technical committees. The PMU is composed of civil servants from various departments of the MoI and will be strengthened by specialized consultants to support technical and fiduciary activities. The PMU has a project manager to oversee the development of the NPR and a project manager to oversee the development of the SR. Initially, both project managers of the SR and NPR and their teams (under the supervision of the Directorate

of Information Systems and Communication (*Direction des Systèmes d'Information et de la Communication - DSIC*) will manage the development of both information systems. Before the establishment and operationalization of the NIA, the implementation of the UIN, the SR and the NPR will be managed by the DSIC under the supervision of the General Secretariat of MoI (see Figure 1). Initially, the project manager of the NPR and his team will be in charge of managing the dataset of the NPR and of the attribution of a UIN to the population. Such roles are expected to be transferred to the NIA once it becomes operational.

**Figure 1. Project Institutional Setup and Organigram of the PMU**



5. **Technical committees.** Two technical committees (one for the NPR/UIN and one for the SR) will support Project implementation. The technical committee for the NPR was established by the Inter-ministerial agreement dated December 1, 2016. The satisfactory establishment of the SR Technical Committee needs be completed no later than two months after the effective date of the project (dated covenant). The technical committee for the NPR/UIN will be composed of different directorates of the MoI (SG, IGAT, DGCL, DGAI, DGSN, and DSIC) and by the Directorate of Information Systems at the MNEVT. The technical committee for the SR will be composed of representatives from the MoI (General Secretariat and the Department of Information Systems) as well as other sectoral ministries (HCP, MoH, MNEVT, and MoSWFSD). Both technical committees will act as the technical arms of the PMU. Their tasks will include: (a) preparation of road maps with activities for the design and implementation of the technical components of the project; (b) elaboration of technical tools for their implementation; (c) assurance of coordination

and coherence of activities undertaken under Components 1 and 2; (d) review and evaluation of studies and consultancies; (e) oversight for the preparation of required technical specifications for equipment and labor (hardware and software) to be acquired through the project; and (f) execution of annual work programs and monitoring their progress. Both technical committees will regularly report to the PMU.

6. **Inter-ministerial agreements.** Given the involvement of the different partner ministries and the public entities in the project, such as the MoH, MNEVT, MoSWFSD, and HCP, Inter-ministerial agreements for the implementation of the NPR and SR were signed between these stakeholders and the MoI (authorizing officer) in September 16, 2016 and December 1, 2016, respectively. The agreements aimed to (a) clarify roles and responsibilities and (b) detail the main aspects of management with regard to completion dates of activities, validation, submission dates for terms of reference, responsibility for validation of deliverables and receptions, joint signatures, and regular meetings according to a timetable agreed to ensure ownership of all stakeholders and good coordination between them.

7. **POM.** As specified in section 5.01 of the Loan Agreement, the GoM will adopt the POM prior to effectiveness. The POM, as referred to in paragraph 7, Section I.A of Schedule 2 to the Loan Agreement, will cover all aspects of project design, implementation, and processes, stakeholders' roles and responsibilities (including supervision and reporting arrangements), as well as control mechanisms and procedures provided for in the Inter-ministerial agreements with other ministries and public entities involved in the project. It will also specify the procurement, FM, project M&E procedures, and other guidelines to be followed to ensure timely implementation of the project.

8. **Project implementation support.** It will be provided by the World Bank throughout the project's lifetime. This will include periodic supervision missions and a detailed midterm review two years after project effectiveness. The midterm review mission will, among other things, analyze progress toward achieving the main result indicators and determine where adjustments are needed.

9. **Reporting.** The Borrower shall monitor and evaluate the progress of the project and prepare project reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty - five (45) days after the end of the period covered by such report. These reports will describe progress against each project sub-component. The reports will also contain information on fiduciary functions and will complement the financial reporting, as described in the reporting section of the FM section below. A format for these reports was agreed with the counterparts and set out in the POM.

## **Financial Management**

10. **General framework.** The project will be implemented over five years through an IPF that uses results-based features in two of its three components. The total estimated project cost is at US\$100 million. With a results-based approach, project disbursements would be: (a) linked to define eligible expenditure line items (jointly comprising the EEP within the Government's

Program (SSN); and (b) triggered by the verified achievement of agreed specific results (DLIs/DLRs).

11. **Public finance management.** The experience of the World Bank in Morocco and the main findings of the previous PEFA 2009 indicate that Morocco's public finance system is governed by an elaborate legal and regulatory framework. The World Bank completed the updating of the PEFA assessment in June 2016, comprising the European Union and the AfDB. This assessment concluded that the performance of the PFM systems is very favorable to the achievement of budgetary discipline targets.

12. The current program of public finance management reform is dominated by the implementation, as of January 1, 2016, the new Organic Law on the Finance Act, enacted in June 2015. Much of the current weaknesses of PFM – notably, the absence of multi-annual budgeting, the weakness of the strategic dimension of budgetary planning and action of the State, and the lack of evaluation of public policies – should find a long-term solution within the framework of this deep and broad reform.

13. The implementation of the GID has improved operations accounting processes and the production of reports. The monitoring of implementation has improved significantly but production of annual statements remains late and incomplete. GID's specific module for local Governments was developed in 2013 and implemented in 2014 to facilitate the escalation of information and consolidation of public accounts.

14. The Moroccan public accounts refer to national standards approved by the National Accounting Council adopted in 2002 and inspired by the accounting standards (International Public Sector Accounting Standards "IPSAS"), but these standards are not yet implemented. In accordance with the Organic Law of the Finance Act, public accounts will be set up on a cash basis for revenue and expenditure. The migration to accrual accounting will be the medium-term objective. The accounting standards used in all financial reports are complete and report presentation standards are consistent from year to year and they respect the law, but the exclusion of information relating to the balance sheet makes the financial statements not fully compliant with current IPSAS or national equivalent. To mitigate these risks, the World Bank and the GoM have already agreed on the reporting formats for this operation.

15. In terms of external control, public finances are monitored independently by the Court of Accounts and there is an external monitoring mechanism of the implementation by the Government of the recommended improvement measures. The Parliament deliberates on the annual public report of the Court of Accounts.

### **FM Risk Assessment and Mitigation**

16. **Evaluation of the FM system.** The country's PFM systems and institutions are advanced, are based on and utilizing modern legal and operational frameworks (including reporting, audit and oversight), and are performing well. The result is that the country's own fiduciary framework (including regulations and reporting requirements, internal audit and internal control, performance of Control bodies) provides sufficient inherent mitigation measures to support the FM arrangements for this operation.

17. At the project level, an evaluation of the FM system in place at the MoI was conducted to determine if it meets the Bank's minimum requirements for the project management as stipulated in OP/BP 10.00. The financial evaluation has covered the areas of accounting, FM and reporting, and audit report of the project. The FMS, including devices required to meet the financial monitoring of project needs, meet the minimum requirements of the Bank. The FMS, in place in the MoI, is based on principles and procedures defined by the legal framework applicable to the public sector and particularly Government institutions.

18. **The overall FM risk is substantial.** The Risk Rating Summary is included in the project files.

19. Regarding the inherent risk analysis, the project level is rated substantial. This rating is associated with the involvement of sectorial ministries and entities in the implementation of the Project and which will be benefitting from goods and services to be procured by the MoI as Budget Authority. Besides, the results-based nature of the proposed Project would rely on timely production of BERs from EEPs as documentation and evidence of achievement of the DLIs. A potential risk is a lack of timely or sufficient information. These risks would be mitigated by defining clear operational and fiduciary responsibilities and accountabilities of each entity/ministry through signing MoUs, and including the appropriate sources of information and reporting requirements for each DLI would be set out comprehensively in the POM.

20. At the control risk level analysis, the risks rated as substantial are related to: (i) the budgeting; (ii) financial reporting; and (iii) fund flows. For the risks related to financial reporting and fund flows, the risks would be mitigated through DLIs and the use of EEPs on a reimbursement basis to ensure the timely release of funds for the Project's activities and report-based disbursement directly to the State's General Budget. It is anticipated that with the mitigation measures in place, the residual risk will be "moderate."

21. **The project's existing implementation arrangements are assessed as adequate.** Arrangements include sufficient levels of transparency; operating under an adequate system of checks and controls; and producing reliable financial and BERs.

### **Eligible Expenditure Program**

22. The World Bank would reimburse a portion of the Government's expenditures on SSNs. Within these overall expenditures, specific programs would be qualified for World Bank reimbursement if they meet an established set of criteria for inclusion in the pooled "EEP." These criteria focus on safeguarding entry into the pooled EEP to those programs with robust fiduciary arrangements and traceability of the transfer of funds to beneficiaries, and would be subject to regular oversight and controls.

23. By this set of criteria, two of the three programs qualify for World Bank reimbursement in the pooled EEP for this Project. These two programs include: (a) the Tayssir CCT program, targeting poor families to educate their children, an education CCT benefiting about 833 000 children in 2015 in selected regions; and (b) the DAAM CT, a CT program to widows in difficult socio-economic situation taking care of orphans. These two programs have suitable internal controls through preparation by management units, in coordination of central and country branches monitoring these programs, of regular reports before and following receipt of transfers, providing



information on the project monitoring as regards the progress made in various activities (applications, payments, case management, etc.). These reports quantify and seek remedies for irregularities detected in the implementation of the program, such as errors. Any deviation is detected in time to introduce the relevant corrective measures in MIS to avoid over or under payments to beneficiaries. The control processes ensure traceability of transfers to beneficiaries through reporting and monitoring mechanisms, and are subject to oversight and controls by the control bodies and line ministries. The two programs, thus meet the fiduciary criteria for inclusion into the pooled EEP, for reimbursement by the World Bank. Moreover, these two budget programs consist of CTs to the population and thus do not include any procurable items. Moreover, both programs are significantly larger than the expected amounts to be disbursed by the project. Even in the year when disbursements are expected to be highest (i.e. US17 million in year 2010), disbursements would only be equivalent to 26.2% of the EEP (Table 1).

**Table 1: Project's Eligible Expenditure Program (in million US\$)**

	Ref : 2013/2014	2015	2016	2017	2018	2019	2020	2021
Total lines of EEP programs	50.0	69.6	65.0	65.0	65.0	65.0	65.0	65.0
DAAM (CT)*	-	19.6*	15.0**	15.0	15.0	15.0	15.0	15.0
Tayssir (CT)*	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Project Disbursement (forecasts)	-	-	0	20.0	16.0	13.0	12.0	7.0
Disbursements as % the EEP	-	-	0	30.7	24.6	20.0	18.4	10.7
Disbursements as % of program expenditures:	-	-						
DAAM	-	-	0	133.0	106.6	86.6	80.0	46.6.
Tayssir	-	-	0	40.0	32.0	26.0	24.0	14.0

The 2014 to 2016 period refers to budget allocations to the Tayssir and DAAM programs. As for the period 2017 to 2021, the figures reflect budget allocations (forecasts) for the two programs (Tayssir and DAAM).

24. The budgeting of the pooled EEPs constitutes part of the Government budgeting process. The EEPs are annually budgeted in the Social Cohesion Support Fund, *Fonds d'appui à la cohésion sociale*, whose authorizing authority is the MEF. The 2013 Finance law introduced the Social Cohesion Support Fund, to finance allocations for the most disadvantaged. The Fund is a Special Allocation Account (*Compte d'affectation Spécial - CAS*) A CAS is created, modified or deleted under a finance law and the expenditures are split in accordance with the sectorial programmatic nomenclature. The Fund receives yearly allocations from the Budget General of the State and social contributions, mainly coming from the products of social solidarity contributions on profit and revenues, of taxes on tobacco, insurance contracts, and of air tax. According to the Finance Law results of 2015, this fund has disbursed a lump sum of 3.8 billion MAD (US\$380 million). The Funds management and performance budget are submitted, as well as the general budget of the State, to monitoring and regular assessment.

25. To capture expenditures of EEPs, conventions were signed between the State (represented by line ministries) and the managing entities to enable transfers to beneficiaries through a secure computerized information system, producing financial reports and monitoring of budget allocations, revisions, releases, and expenditures.

26. The EEPs are reflected as follows in the CAS budget Program:

**Table 2: Social Cohesion Fund – CAS Expenditure Program**

Annual Budget 2015				
Operating Code	Eco. Code	Paragraph	Line	Account Title
64	572	10	10	Contribution to the financing of the expenditures of RAMED
	572	30	12	Payment to the AMAS as per convention of Tayssir Program CCTs
	589	20	20	Payment of direct aid to widows in precarious situations

27. Specifically, the two qualified Programs were evaluated as below:

*Tayssir Program*

28. *Description:* Annual CCT to parents to reduce children school drop. This pilot program was launched by the MNEVT in September 2008. The pilot program was launched by MNEVT in September 2008 for a two-year period and was the subject of an impact assessment carried out by the Abdul Latif Jameel Poverty Action Lab (J-PAL) at Massachusetts Institute of Technology (MIT).

29. *Oversight:* Transfers amounts to parents are calculated per month per children (ages 6 to 15). The cash allowance is increasing with academic levels: i) 1<sup>st</sup> and 2<sup>nd</sup> year of primary school: 60 MAD; ii) 3<sup>rd</sup> and 4<sup>th</sup> year of primary school: 80 MAD; iii) 5<sup>th</sup> and 6<sup>th</sup> year of primary school: 100 MAD; and iv) college cycle: 140 MAD. The conditionality of transfers is based on the student attendance in school, absenteeism tolerated thresholds (less than 04 absences per month at primary school and fewer than 06 sessions at the college cycle). The maximum number of recipients per household children is set at 03 children (similarity to family allowances). Transfers are awarded 10 months a year by transfers every two months.

30. The “*Tayssir*” program which is managed by AMAS is composed mainly of MNEVT staff except for the treasurer delegated from another Ministry, the MNEVT, DSIC, DAS and the Directorate of General Administration, Budget and Heritage (*Direction de l’Administration Générale, du Budget et du Patrimoine - DAGBP*), the Higher Education Council, and a Treasurer (financial officer), the Regional Education Academies (*Académie Régionale de l’Education et de la Formation - AREF*); the Provincial Education Directorates (50 provincial coordinators); and the schools Directors. AMAS receives yearly allocations from the Social Cohesion Fund CAS in the account line “*Payment to AMAS as per convention of Tayssir CCT Program.*” In practice, AMAS appears to have more of management objective mechanism rather than fulfilling the role of a traditional non-governmental organization. AMAS functions without an operating budget. Thus, for accounting and audit services, as these functions are externalized, AMAS seeks other financial resources to cover their costs. The Bank team observed that the operability of AMAS appears not to be hampered so far by the challenges of its complex organizational and institutional structure.

31. Barid Bank (The National Post) has signed a convention with AMAS to manage the transfer operations through its local postal agencies or agent delivery to the targeted school. The coverage is 493,000 households, equivalent to 825,000 students (2014–2015).

32. The household database is developed and updated by the schools based on the enrollment files which are kept by the school principals. Also, student attendance data, which represent the conditionality for the monetary transfer, are recorded at the school level and consolidated at the central level. The payment files are generated from the Tayssir information system, verified by the central team and shared with the Barid Bank services and the program provincial coordinators to inform school principals and beneficiaries, before the actual payment is made. After the end of the transfer period (an average of 15 days), a balance sheet account transfer is produced by Barid Bank and transmitted to the MNEVT.

33. The operational manual of the Tayssir program, developed with the support of international experts, spells out the role and responsibilities of the program stakeholders at different territorial levels. The update of the Tayssir manual of procedures and the information system is under preparation. The budget allocations to the program amount to 500 million dirhams per year and cannot cover the actual transfers' costs which have been exceeding the budget allocation to the program since 2013-2014, resulting in delays in payments and thus increasing further the gap between the budget allocations and the actual payments. It should be noted that the program has not extended its geographic area since the academic year 2010-2011, due to budgetary constraints and the absence of better targeting mechanism.

34. The World Bank reviewed Tayssir's accounting audit reports and AMAS' financial statements up to 2014, thus highlighting the management of arrears as an unresolved issue. Recommendations were proposed during AMAS recent audits on Tayssir which were performed by the IGF for fiscal years 2011-12, and by the external auditor recruited for that purpose (MAZARS) in 2012. The auditors stressed the need to secure the information recorded in the database to avoid inaccurate payments and reduce payment delays associated with transfers through a set of recommendations already applied by both AMAS and MNEVT to improve the program implementation.

**Table 3: Tayssir Expenditures: Actuals and Forecast – 2008-2009 to 2015-2016**

		<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>
<b>Beneficiaries</b>	<b>Students</b>	87795	299970	609000	703426	756774	783821	805746	832000
	<b>Households</b>	47052	163196	363132	405805	435484	465887	493133	522000
<b>Budget in Million MAD (budget year)</b>		54.0 (2008)	70.0 (2009)	240.0 (2010)	470.0 (2011)	530.0 (2012)	490.0 (2013)	500.0 (2014)	500.0 (2015)
<b>Real transfer costs</b>		57.2	201.2	457.5	538.5	607.8	635.9	638.0*	675.0*

#### *DAAM Program*

35. *Description:* direct CTs to widows in difficult socio-economic situation taking care of orphans. Launched by decree in December 2014, it was implemented in late 2015 by the Ministry Interior (MoI), the Ministry of Economy and Finance (MEF) and the MoSWFSD and the National Pension and Insurance Fund (*Caisse Nationale des Retraites et d'Assurances – CNRA*).

36. *Oversight:* The potential beneficiary widows submit their applications in the local “administrative annexes” of the MoI. The Permanent Provincial Committees, *Comité Cenral Permanent* (CPP) at each prefecture and province are responsible to assess the eligibility of applicants. Their meetings are periodically organized by the MoI. The CPPs are chaired by the governors and composed of representatives of the MSFFDS, the MENFP, the MS and the *Entraide Nationale*. The CPP reviews applications within 30 days from the application submission date and draws, based on a set of criteria, the list of widows whose applications have been accepted and a list of widows whose applications have been rejected. These lists are then submitted to the CCP responsible for the monitoring and the coordination of the CPP and which is chaired by the MSFFDS. The CCP is composed of representatives of the MoI, the MEF, the MS, the MENFP, the Department of Higher Education (*Département de l'Enseignement Supérieur et de l'Entraide Nationale*). Following discussions, the CCP draws up the final list of widows whose applications were accepted, and submits it to the CNRA. The latter then transfers aid allowances through Barid Al-Maghrib's network and notifies beneficiary widows.

37. Eligibility criteria for the program benefiting widows in difficult socio-economic situation taking care of orphans are as follows:

- Beneficiary of the medical assistance system (RAMED);
- Exempted from taxes, with the exception of main property/housing taxes (*impôt sur l'habitation principale*);
- Not perceiving any pension or family compensation or any other direct support paid from the state budget or any public institution or public body (such as scholarships provided by the Social Support Program or under the Tayssir program);
- Taking care of orphans: (i) less than 7 years old and not schooled, (ii) children between the ages of 7 and 21 with the condition to attend school or vocational training or (iii) orphans with disabilities with no age/schooling requirements.

38. Once the application is approved by the CCP, transfers to each widow amounts to 350 dirhams per month per each orphan for maximum of 3 orphans, i.e. a monthly allowance per widow cannot exceed 1050 dirhams. The widow is mandated to receive payments for orphans who are the true beneficiaries.

41. Transfers are made the first time by Money Order in the closest Barid Al-Maghrib Agency to the widow address. Then, the widows will have to open a Bank account in the same agency to receive the transfer.

42. The CNRA, as the managing entity of the transfers to the widows, has a reliable accounting system registering, on the one hand, the funds transferred from the MEF to the CNRA for payments and aid to beneficiaries and, on the other hand, the expenditures paid by CNRA to the beneficiaries. The CNRA receives yearly allocations from the CAS in the account line “*Payment of direct aid to widows in difficult socio-economic situations.*” It has received two installments since the launch of the Program, respectively 96 MMAD and 150 MMAD. Monthly reports, (or as per request from MEF), are transmitted to the line ministries, and an annual report to the MoI, MEF, the Ministry of Social Development, and to the Monitoring committee. The CNRA handled 65,000 cases so far in comparison to 75,000 widows initially targeted by the Program.

43. FM procedures are actually formalized in a manual of procedures detailing the registration, eligibility criteria, verification procedures and committees and in an “agreement” signed between the MEF and the CNRA. The agreement describes the operational and commitment of each part, mainly on agreed reporting models in Excel Sheets in regards to requesting funds, expenditure forecasts, monthly reporting on payments, beneficiaries’ lists, management’s fees, and approval of funds process.

44. As the Program has only been implemented for a year, no audit report nor evaluation has been undertaken so far (the first payment of widows' allowances by the CNRA was only made at the beginning of October 2015). At the time of the evaluation, the MEF confirmed that the quality and the timely submission of the CNRA reports was satisfactory.

45. The program grievance redress system consists of a toll-free hotline available to collect beneficiaries’ claims. No information is yet available on the redress system and its management. However, there is an internal hotline at the MoI level that reports on all technical difficulties or specific cases to the central and allows redressing them.

46. **Implementation agency.** The PMU was established within the MoI pursuant to Decision No. 6450 dated September 8, 2016. FM is represented by the DAA, which will be supported by a Financial Officer to be recruited. The DAA, within the MoI, has experience in the management of projects financed by the World Bank as part of the PACT. The core of the PMU comprises seven (7) members: (i) a coordinator; (ii) a technical specialist for the NPR component; (iii) a technical specialist for the SR component; (iv) a financial specialist; (v) a procurement specialist; (vi) a monitoring and evaluation specialist, and (vii) a legal specialist. The terms of reference of these specialists have already been prepared. The Project Management Unit will hire FM, M&E, legal specialist, and procurement specialists no later than two months after loan effectiveness, in compliance with the provisions of Section III.C of Schedule 2 to the Loan Agreement.

47. **Staffing.** The DAA (DBC/DAAP) of the MoI has adequate human resources. However, it has many responsibilities and there is lack of available human resources to be fully dedicated to this project. Also, the provision of recruiting a FM specialist is important in order to strengthen the team and to support the implementation of this complex project. The DAA will monitor and supervise the work of the FM specialist to ensure ownership of the project by the Ministry. The DAA will oversee the preparation of financial reporting of the Project, using GID for expenditure management and monitoring and for disbursements under the Project, as well as the financial statements for the Project, and the BERs of EEPs. The FM specialist will be placed at the PMU and will support the effectiveness of the Project’s expenditures. With the recruitment of a qualified FM specialist, in compliance with the provisions of Section III.C of Schedule 2 to the Loan Agreement, staffing will be considered adequate for the FM of the Project.

48. **Budgeting.** The loan will supplement to the State budget, given that the MEF will ensure that the necessary credits are made available to the MoI to cover the expenses of the components that fall under this Ministry.

49. The MoI and the MEF will ensure the necessary budget allocations to undertake activities on behalf of the project after signing the Loan Agreement.

50. **Accounting and monitoring system.** The accounting system with the outline of budget components is operating according to the rules described in the law of public accounting. The operations in terms of commitments and disbursements are reflected in the GID accounting system. The MoI's general Accounting information is administered in the GID system.

51. The accounting system of the executing agency will use the GID system to extract the information on procured activities of the projects. This will enable preparation of UIFR in Excel sheets. These reports will be prepared by the executing agency and submitted to the DAA for review and validation.

52. The UIFR will be complemented by BERs for the relevant periods, which will be prepared based on the qualified EEPs' existing MIS, generating quarterly and semester reports and providing information on the project monitoring as regards the progress made in various activities (beneficiary registration, payments, case management, etc.). A simplified format of the UIFR (as detailed in the disbursement letter) and BER will form the basis of the documentation of expenditures against disbursements for EEPs up to the extent of the Bank's financing.

53. **Internal controls.** At the PFM level, the recent 2016 PEFA assessed that there have been adequate progress in this area. Internal control over non-salary expenditures, rated high scores for compliance with procedures, efficiency of controls of expenditure commitment, and separation of duties.

54. At the PMU level, the DAA of the MoI (DAAP and the DBC)) has a manual for its budget and accounts that is well developed and describe budgetary, accounting and administrative procedures and approval cycles of expenditures. It includes internal control procedures in terms of set of detailed and specified procedures for each transaction to ensure compliance with the internal control objectives and to ensure the effectiveness of risk prevention within the principle of separation of duties. This manual is used by the personnel of the DBC within the MoI. Internal control procedures of the ministry, local authorities and their groupings, are reviewed by IGAT. The "General Treasury of the Kingdom" MEF developed the GID system applicable to public administrations, for integrated budget management. Major progress has been achieved through the deployment of the GID, especially in the internal control system. This system is used by the MoI to manage and track their budget. It provides information in a real time and is accessible online by authorized staff of MoI.

55. The IGAT, which is the internal inspection of the MoI, has the right to inspect the MoI's activities. In addition to its role of auditing and consulting, this inspection is strengthening its capacity and expanding its activities from control, regularity and performance to guarantee sustainable transparent and efficient public administration. IGAT ensures a stronger commitment to support important reforms engaged by the MoI, such as the ones supported by the Project.

56. In the context of the project, the IGAT will be responsible for the verification of progress towards achieving the project objectives and the DLIs and toward the achievement of the project's results.

57. The IGF of MEF has progressively introduced international norms of audit, notably the risk-based approach and support to the internal control to extend the operational coverage of its audit. The IGF is the external auditor of the Project and will produce annual audits including

management letter on appreciation of internal controls procedures. The IGF would suggest a sample of the action plan, and risk cartography to be implemented by the PMU upon issuance of the first year audit recommendations. The PMU would also benefit from a capacity building program in the TA in improving internal control procedures.

### **Reporting and Monitoring**

58. Procurable activities under sub-components 1.1, 2.1, and Component 3 will be implemented with disbursements against eligible expenditures for specific activities set out in the project's PP. UIFR will be generated each semester to reflect all cash flow transactions and disbursements. These UIFRs will be prepared in Excel by the Financial Officer. It will be based on information extracted from GID and updates on procurement and budget execution of the Project by the relevant services of the DAA. The Financial Officer will then submit the report for review by the DAA, the person responsible for the audit, and Monitoring and Evaluation specialist. The Project Coordinator will approve the final version of the report and submit to the Bank no later than 45 days after the end of each Semester. The Bank's guidelines for financial monitoring will be communicated to the project. A model of UIFR report will be agreed for use for the project and will be annexed to the MOP. An integral part of the UIFR will be the cash forecast for the following six months as this will be the basis for the amount of the withdrawal application from the loan balance, together with agreed DLIs. The UIFR includes, in addition to a summary of project progress: i) a summary of financing sources and use of funds; ii) the use of funds by component and by project category; iii) the withdrawal of funds (cash situation); iv) cash flow forecasts; and v) disbursement forecasts.

59. The half-yearly UIFR report would include the expenditures for the entire EEP and would be generated by the existing system, based on the existing quarterly formats used (see disbursement section). These reports aggregate the expenditure data for the programs included in the EEP for each quarter in compliance with the national economic budget classification. The annual reports, which would include separate financial information on the programs in the EEP for the year, in compliance with the national economic budget classification, would be regarded to the PFS for purposes of this project.

### **Flow of Funds and Disbursements**

60. Disbursements will be report-based and not fixed to specific dates or years within the project life. The implementing agency will prepare the IFRs, compile information from GID on procurable activities, and quarterly BERs prepared by the FM specialist.

61. **Results-based component.** For the results-based sub-components under Category (1), disbursements will be based on UIFRs and will be conditional on the achievement of the DLs. Disbursements are made upon the World Bank's confirmation that the evidence of DLI achievement submitted by the Borrower is satisfactory to the World Bank. Upon project effectiveness, an advance up to its Ceiling amount will be disbursed into the Designated Account opened at Bank Al-Maghrib. The advance will reflect disbursement forecasts of a period covering 2 semesters for all components of the project – see disbursement forecasts in the interim financial report. This advance will be documented as per point (b) below as Eligible Expenditures.

62. The advance amount allocated to the DLIs in respect to Category (1) will be justified by the eligible expenditure in respect to Category (1) upon receipt of: (i) satisfactory evidence of the achievement of the DLI specified in Schedule 4 of the Loan Agreement, and (ii) the interim financial report unaudited semi-annual establishing an amount of eligible greater than or at least equal to the value corresponding to the amount of the realization of the DLI. This report will be, in part, prepared on the basis of a statement of expenditures DAAM and Tayssir programs, evidencing actual expenditures of the current fiscal year.

63. Disbursement requests will be submitted to the World Bank by the MEF through the electronic submission of withdrawal applications and using the World Bank disbursement form signed by an authorized Government representative. A copy of the official World Bank communication confirming the achievement of the DLI must be attached to all disbursement requests (detailed verification protocols by DLI are presented in Annex 2).

64. The qualified EEPs would be subject to standard World Bank supervision activities and fiduciary requirements during the life of the project. Supporting documentation for disbursements would include the biannual unaudited IFR and reports on DLI, as per an agreed reporting format.

65. **TA Components.** For the TA components under Category (2), disbursements will follow the standard investment financing approach and will be based on standard Statements of Expenditures (SOEs) evidencing eligible expenditures incurred as part of procurable activities. The TA component can be disbursed via the reimbursement method or the direct payment method. The advance amount allocated to the component technical assistance in respect to category (2) will be justified by the same interim financial report unaudited which incorporates the statement of expenditures related to the technical assistance component.

66. The World Bank will disburse loan proceeds for eligible expenditure for services rendered and goods delivered from the legal agreement signing date through the closing date. A four-month grace period will be included to enable the payment of all eligible expenditures incurred by the closing date of the Loan.

67. **POM.** As specified in section 5.01 of the Loan Agreement, the GoM will adopt the POM prior to effectiveness. The POM, as referred to in paragraph 7, Section I.A of Schedule 2 to the Loan Agreement, will cover all aspects of project design, implementation, and processes, stakeholders' roles and responsibilities (including supervision and reporting arrangements), as well as control mechanisms and procedures provided for in the Inter-ministerial agreements with other ministries and public entities involved in the project. Before its adoption, the POM needs to be satisfactory to the World Bank.

68. **External audit.** The annual project financial statements will be audited by the IGF and will be submitted to the World Bank within six months following the end of each fiscal year of the Borrower. The audit will cover all aspects of the project (for example, all the sources and use of funds, and expenditures incurred). The audit will be conducted in accordance with the International Standards on Auditing. The project team will give the auditor access to project documents, records and information necessary for the audit. The TOR for the audit will be discussed and validated with the Bank.



69. However, a separate audit report for each individual program (Tayssir and DAAM) will not be prepared. The World Bank will discuss and agree with the IGF to ensure that the annual financial statements would be done in a timely and reliable manner and that a separate audit opinion would be issued for each of the SSN programs included in the EEP (the PFS).

70. It was agreed that “*Tayssir*” will submit AMAS audit reports and financial statements for fiscal years 2015 and 2016 and for each subsequent fiscal year during the duration of the project.

71. The PACT audit report of for fiscal year 2014 recommended to put in place an effective steering committee and a monitoring committee that meet regularly, to enhance coordination between the different stakeholders and develop a mapping of major risks in order to anticipate the challenges that might hinder the achievement of project’s activities, improve the internal control system governing the project’s operations; and enhance the pace of implementation of activities and disbursements. The audit report’s recommendations would be used to prepare the project with the MoI and would improve collaboration with the auditors to put in place an action plan of a follow-up of the audit report’s recommendations and set up a risk map.

72. **Supervision plan.** A supervision mission in FM will be conducted every six months based on the risk assessment of the project. The objectives of the mission include: (i) ensure that sound FM systems are maintained throughout the project cycle and (ii) review the different FM reports, annual audit of financial statements and the letters on internal control. In addition, as part of the regular FM implementation support, the World Bank FM specialist would review a sample of transactions for the programs included in the qualified EEPs, at the relevant commercial banks and the Post Office as part of the field-level reviews. This expert will review in the field, payment distribution, controls and security over this entire process and check how local offices manage and capture payment transaction data, how the data is reconciled and reported back to line technical ministries and the MEF.

73. **Action plan.** The following action plan has been agreed with the Borrower.

Action to be undertaken	When	Status of Action
The Borrower has adopted POM, in form and substance satisfactory to the Bank.	Effectiveness	Not yet due
The Project Management Unit shall recruit an FM specialist, a monitoring and evaluation specialist, a legal specialist, and a procurement specialist, in compliance with the provisions of Section III.C of Schedule 2 to the Loan Agreement.	Dated covenant – no later than (2) months after the Effective Date	Not yet due
The Borrower shall establish the SR Technical Committee with TOR and composition satisfactory to the WB.	Dated covenant – no later than (2) months after the Effective Date	Not yet due

## Procurement

### General

74. Procurement for the proposed project will be carried out in accordance with (a) the Bank’s Anticorruption Guidelines; (b) the Bank’s Procurement Guidelines; (c) the Consultant Guidelines; and (d) all the accompanying standard bidding documents for any new procurement and the

provisions stipulated in the Loan Agreement. The various items under different expenditure categories are described in general. For each contract to be financed by the loan, the different procurement methods or consultant selection methods, the estimated costs, prior review requirements, and agreed time frame are set out in the PP. All the contracts procured will be entered into the new electronic System for Tracking Exchanges on Procurement, mandatory for all new projects. The procurement procedures and SBDs that will be used by the recipient are also well-defined in the POM, which includes specific and detailed sections regarding procurement.

75. Procurement under the project is mostly for the contracting of large IT systems, including their design, development and hardware, as well as the selection of consultants for advisory services, acquisition of goods and services (other than consultant services) related to project management, organization of continued consultations with stakeholders and capacity-building events. The consultant services include, among others, the preparation and management of projects; initial studies to assist with the development of an NPR with a UIN and the development of the SR in addition to supporting project management (procurement, FM), and so on. Goods and services to be procured are essentially software and hardware including M&E systems, and equipment for project management. Non-consulting services are mainly related to training and workshops.

### **Procurement Arrangements**

76. **No works contracts** are contemplated under the project.

77. **Procurement of goods and non-consulting services.** Procurement of goods and non-consulting services comprising the supply and installation of Information systems, the acquisition of equipment, material and office supplies for the PMU, logistics for workshops, capacity-building events among others, will be carried out using the following methods:

- (a) **International Competitive Bidding (ICB).** Contracts for Supply and Installation of Information Systems, estimated to cost the equivalent of US\$ 3,000,000 or more per contract shall be procured based on the ICB procurement method, using the applicable World Bank Group Standard Bidding Documents.
- (b) **National Competitive Bidding (NCB).** Each package estimated to cost less than the equivalent of US\$3,000,000 may be procured on the basis of NCB procedures as found acceptable by the Bank. Bidding documents acceptable to the Bank will be used.

NCB procedures adjusted as indicated below will be used for all goods and non-consulting services contracts estimated to cost less than the equivalent of US\$3,000,000. To ensure broad consistency with the Procurement Guidelines, the following provisions will apply when using NCB under this project. These procedures shall ensure the following, among others:

- The bidding documents include the bid evaluation method explicitly, award criteria, and bidder qualification criteria.

- Technical, administrative, and financial envelopes are opened immediately after the bid opening session has started and prices are read aloud.
  - The bids are evaluated on the basis of the price and any other criteria expressed either in pass/fail terms or in monetary terms and disclosed in the bidding document.
  - Contracts are awarded to the qualified bidder who has submitted the least cost evaluated and substantially responsive bid as stipulated in the bidding document.
  - Standard bidding documents and bid evaluation reports found acceptable by the Bank will be used.
- (c) **Shopping.** Goods and non-consulting services estimated to cost US\$200,000 or less may be procured using shopping procedures.
- (d) **Direct contracting.** Under circumstances which meet the requirements of paragraph 3.7 of the Procurement Guidelines, goods, non-consulting services and works may be procured in accordance with the paragraph 3.7 of the Procurement Guidelines using the direct contracting procurement method.

78. **Selection of consultants.** Consultant services comprise mostly the selection of consultants to design the project, provide technical assistance to set up an NPR with a UIN and the development of the SR. The following Bank methods and corresponding standard documents will be used:

- (a) Quality and Cost-Based Selection for all types of consultant services.
- (b) Quality-Based Selection. Services for assignments which meet the requirements of paragraph 3.2 of the Consultant Guidelines may be procured using the Quality-Based Selection method in accordance with the provision of paragraphs 3.1 and 3.2 of the Consultant Guidelines.
- (c) **Least-Cost Selection.** Services for assignments which meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured using the least-cost selection method in accordance with the provision of paragraphs 3.1 and 3.6 of the Consultant Guidelines.
- (d) **Selection Based on the Consultant's Qualifications.** Services estimated to cost less than US\$300,000 equivalent per contract may be procured in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.
- (e) **Single-Source Selection.** Under circumstances which meet the requirements of paragraph 3.8 of the Consultant Guidelines for Single-Source Selection, consultant services may be procured in accordance with the provisions of paragraph 3.8 through 3.11 of the Consultant Guidelines, with the Bank's prior agreement.

- (f) Individual Consultants (IC). Services for assignments that meet the requirements set forth in the paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provision of paragraphs 5.2 and 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.6 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

79. **Shortlists** may be composed entirely of national consultants for contracts of less than US\$200,000 equivalent per contract, complying with the remarks mentioned above.

80. **PP.** A project PP in a format acceptable to the Bank was prepared and will be updated at least once a year through the new electronic tracking procurement system (STEP). The PP for the first 18-month period was prepared as a condition of loan negotiations. The PP indicates which contracts shall be subject to the World Bank's prior review. All other contracts shall be subject to post review.

81. **Publication of results and debriefing.** Online (UN Development Business, and/or Client Connection) publication of contract awards is required for all direct contracting, and the selection of consultants for contracts exceeding a value of US\$200,000. All consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received) before the opening of the financial proposals. The borrower is required to offer debriefings to unsuccessful bidders and consultants should the individual firms request such a debriefing.

82. **Frequency of procurement supervision.** Supervision of procurement by the World Bank is an integral part of project supervision and implementation monitoring. In addition to the prior review supervision to be carried out from World Bank offices, it is recommended that two supervision missions take place every year to visit the project and to carry out post review of procurement actions.

83. **Based on the risk associated with procurement (Substantial), as mitigation measures, the following actions need to be implemented:**

- (a) Recruitment of an external consultant to help carry out procurement and build capacities within the MoI no later than two months after signing of the Loan Agreement. The TOR were ready prior to the negotiations.
- (b) Training in procurement for all staff involved in the project implementation once the loan is effective.
- (c) Preparation of SBDs for NCB in accordance with the Procurement Guidelines and found acceptable by the Bank for goods and non-consulting services; these documents, taking into consideration required adjustment to be acceptable to the Bank, have been submitted for review and approval to the Bank before the negotiations.

- (d) **Adoption of a POM.** This manual clearly describes procurement procedures, responsibility sharing and document flow among the parties involved in project implementation. The manual comprises in annex, all standard bidding documents that will be used under the project. The draft manual was prepared prior to the negotiations and will be adopted before project effectiveness.
- (e) The PP for the first 18 months was prepared before the negotiations.

84. These measures are not exhaustive and will be complemented as needed, during the project implementation, based on the performance and result achieved.

### **Environmental and Social (including Safeguards)**

85. The proposed activities will not have effects on the country's environment, forests and other natural resources, and will not finance the building or rehabilitation of facilities. Consequently, the proposed environmental category of the project is C.

86. From a social perspective, the project's impact is likely to be positive. The project aims to improve social service delivery in the country by preparing: (a) the NPR with the UIN, and (b) the SR. The establishment of these systems shall help the Government to achieve the objective of better assessing the identity and socio-economic characteristics of residents and households to improve the targeting and efficiency of social service delivery. Clearer assessment and better targeting should reduce the availing of social-service benefits by the elite and wealthier households, and improve access to poorer and needier segments of the populations, for example, by giving access to social services to rural populations currently not or insufficiently targeted because of insufficient data available about them.

87. The activities under Components 1 and 2 will primarily comprise the development of systems based on ICT solutions. The project does not involve civil works, but encompasses skills, policy, legal, regulatory, and institution-building activities. The project will support the development of a data center. However, these activities will not include construction. The project does not present social risks that would trigger OP 4.10 - Indigenous Peoples or OP 4.12 - Involuntary Resettlement.

88. While no social safeguards are triggered, a grievance redress system will be put in place at the local and national levels and will include provisions to address citizens' queries and complaints about the SR within a binding time frame. In addition, a social analysis will be completed early to mid-implementation of the project and would potentially have the following areas of focus:

- Expected project benefits for different segments of the population, especially the poorest and vulnerable, women, including residents of peri-urban and rural areas
- Current supply (institutional requirements, and waiting time) and demand-side barriers (income, physical access, literacy, and gender-specific barriers if applicable) for Moroccan citizens to access official personal identification and registration in the selected SSN programs RAMED, DAMM, and Tayssir.

- Citizens' access to information in terms of personal official identification requirements and registration procedures for enrollments in selected SSN programs: existing avenues and inclusive nature
- Citizens' avenues for grievances and redress in civil registry processes; in selected SSN programs: existing uptake locations and channels, processing and resolution mechanisms.

## **Monitoring and Evaluation**

89. The PMU is responsible for overall M&E progress toward the achievement of the project's results, ensuring timely collection and provision of monitoring data, and verification documents for the Bank. The PMU with the MoI's leadership will coordinate this effort with the technical teams overseeing each component, schedule site inspections as needed, and document progress reports. The current capacity required from the PMU team to manage the project's M&E requirements is adequate and may have to evolve as the project is implemented.

90. A solid M&E system is the key element for the project's implementation and as such it needs to be a computer-based system to enable systematic monitoring of components' progress and performance to inform timely central decision-making and action because of the nature and the scope of the project. Such system of control and accountability mechanisms will include an integrated M&E information system that will be linked to relevant databases that will inform the set of results and intermediary indicators in the short run, and to both components' MIS in the long run. The M&E system can be, at first, designed to include the set of the mandatory projects' indicators and evolve to be comprehensive and provide crucial data regularly to public decision makers. The project will also need to conduct spot checks, audits and performance evaluations which will entail the services of independent evaluators. During implementation, the World Bank will provide methodological and technical guidance to the PMU team to establish the M&E framework and progress reports.

## Annex 4: Implementation Support Plan

### MOROCCO: Identity and Targeting for Social Protection Project

#### Strategy and Approach for Implementation Support

1. The Implementation Support Plan (ISP) articulates the World Bank's approach to help Morocco achieve the expected project results based on the project's nature and risk profile. Being a reform-oriented project with a substantive IT component envisioning large procurement contracts related to ICT systems and consultant services, it will require higher implementation support efforts with regard to both compliance oversight and technical support as well as capacity building. The ISP identifies the inputs and actions required to facilitate better risk management, better results, and increased institutional development, while ensuring compliance with the Loan Agreements to meet the World Bank's fiduciary obligations to increase the likelihood of achieving the PDO.
2. The ISP will mainly focus on implementing the risk mitigation measures identified in the Systematic Operations Risk-Rating Tool (SORT) in the following areas: (a) sector strategies and policies; (b) technical design; (c) low institutional capacity for implementation and fiduciary; and (d) stakeholders. It will also focus on need-based and area-specific assistance, intended to fill the gaps in the implementation capacity of the MoI. The implementation support plan addressing fiduciary risks is described in Annex 3.
3. **Technical design and institutional capacity.** The project design builds substantially on the experience of the technical assistance on Subsidy Reform and CT Program and best practices on ICT from around the world. However, given the innovative nature of the project, adequate support will be provided to support with operationalizing design improvements and implementing project activities and ensure success of the operation on key technical areas through in-house Bank expertise (across Social Protection and Labor, ICT, and Social, Urban, Rural and Resilience Global Practices) and expertise outside the World Bank. Furthermore, additional resources and staffing will be provided to the PMU to ensure compliance with and achievement of the DLIs, and the PDO. Additionally, a POM will be adopted before project effectiveness and will help clarify rules and guidelines on the project operation and details on the implementation of all project components along with the roles and responsibilities at all levels of implementation.
4. **Stakeholder.** Given the substantial risk associated with the implementation of the operation, adequate support will be provided for the design and implementation of a strong communication strategy to popularize benefits of the NPR/UIN and SR, generate buy-in of the various stakeholders, and build consensus around the reforms being introduced. The Borrower will also help organize a series of consultations and conferences to: (a) bring the best international practices to Morocco and create opportunity for discussion and dissemination, and (b) meet and consult with representatives from Government entities and users of the databases, civil society, and potentially, from the private sector, to explain the issues the Government is facing, and request their participation in proposing solutions and supporting some initiatives. These consultations are crucial in helping increase trust in the Government in general and in the project initiatives in particular and broad ownership of the NPR/UIN and SR agenda.
5. **Coordination between key implementing partners.** Given the key role of some departments in the MoI as well as other sectoral ministries (MoI, MENVT, MoSWFSD, MoH,

HCP, and MEF) at the central and local levels and HCP, close monitoring to ensure full collaboration and coordination between these various implementing partners is key to the success of this operation. As such, the PMU will closely monitor the project implementation and closely work with the IMSC to promote coordination, detect and address possible lack of communication and diverging views on the project's implementation issues that could lead to implementation slowdown or gridlock, and prevent any duplication of efforts by ensuring clear division of labor and TOR of each implementing entity/partner.

6. **Fiduciary.** Despite the PMU's experience with IBRD fiduciary procedures and guidelines, as they are currently implementing other Bank-financed operations, the project will require intensive procurement and FM supervision support during the first year of implementation. This is largely due to the fiduciary risks emanating from the implementing partners, which will be at times, benefiting from goods or services to be procured by the MoI as the budget authority (see section V) as well as the special disbursement arrangement using DLIs. As such, adequate support will be provided (including ad hoc training) and regular reviews of the project's FM arrangements will be performed, including, but not limited to, accounting, reporting, and internal controls. Similarly, strong procurement support will also be provided (including ad hoc training) specifically in the development of technical specifications, drafting of bidding documents. Close monitoring of procurement progress against the project's detailed PP will also be performed at least semiannually for contracts post reviews below the prior review threshold, while the prior review will be carried out for contracts specified in the PP, as required. Finally, the PMU team will be reinforced and supported by a financial management specialist, a monitoring and evaluation specialist, a legal specialist and a procurement specialist in compliance with the provisions of Section III.C of Schedule 2 of the Loan Agreement.

#### **Implementation Support Plan (to be updated as needed during implementation)**

7. Due to the project's characteristics and complexity, the level of technical support needed for implementation is considered substantial on sector policy, the technical side, and institutional capacity. The World Bank will conduct two to three implementation support missions per year (or more if needed), desk reviews, training, and field visits to follow up on the project implementation. These missions will cover sectoral (technical), fiduciary, social, and communication aspects as well as thorough and frequent review of the project implementation plan and progress against it. Through these periodic reviews, the Bank will keep a close eye on changes that occur and highlight critical activities that may lead to delay in delivery. Similarly, the Bank will, throughout implementation, monitor the risks and update the risk assessment as needed, as presented in the SORT matrix. Implementation support will also include a detailed midterm review roughly two years after project effectiveness. The midterm review will, among other things, reassess the relevance, efficacy and effectiveness of project design and implementation approach and analyze progress toward achieving all of the results indicators and DLIs and determine where adjustments are needed.

8. Key World Bank team members involved in implementation support will be based in Washington, DC and in the Rabat country office to ensure timely, efficient, and effective implementation support. The core team is expected to conduct up to three formal implementation support missions during the first year of implementation, including field visits. After the first year, the periodicity of the implementation support missions is expected to be reduced to two missions a year for the rest of the project. The project will require support during its five years of implementation and the staff skills mix required for implementation support is summarized below.



Apart from the specified skills, specific technical areas of expertise will be procured on a short-term basis.

**Table 1: Implementation Support**

<b>Time</b>	<b>Focus</b>	<b>Skills Required</b>	<b>Resource Estimate</b>
0–12 months	Heavy early investment of time and efforts in the setting up of the NPR and SR.	Task Team Leader and a core multi-sectoral team (including experts on registries, social programs, delivery systems, and operations expertise with a focus on DLIs); namely:	US\$150,000
	Monitoring of implementation progress, DLIs progress, results, and project risks (SORT)	<ul style="list-style-type: none"> <li>• Senior economist (TTL)</li> <li>• Lead social protection specialist</li> <li>• Senior ICT specialist</li> <li>• Senior social protection economist</li> <li>• Senior economist</li> <li>• Operations analyst</li> <li>• Program leader</li> <li>• Senior social development specialist</li> <li>• Disbursement officer</li> <li>• Disbursement analyst</li> <li>• Program assistant</li> </ul>	
	Fiduciary Support and Training	<ul style="list-style-type: none"> <li>• FM specialist</li> <li>• Procurement specialist</li> <li>• ICT Expert with experience on IT Procurement</li> </ul>	
12–60 months	Overall quality of implementation	Task Team Leader and a core multi-sectoral team (including experts on registries, social programs, delivery systems, and operations with a focus on DLIs); namely:	US\$150,000/year
	Monitoring of implementation progress, DLIs progress, results, and project risks (SORT)	<ul style="list-style-type: none"> <li>• Senior economist (TTL)</li> <li>• Lead social protection specialist</li> <li>• Senior ICT specialist</li> <li>• Senior social protection economist</li> <li>• Senior economist</li> <li>• Operations analyst</li> <li>• Program leader</li> <li>• Senior social development specialist</li> <li>• Disbursement officer</li> <li>• Disbursement analyst</li> <li>• Program assistant</li> </ul>	
	Fiduciary Support and Training	<ul style="list-style-type: none"> <li>• FM specialist</li> <li>• Procurement specialist</li> <li>• ICT Expert with experience on IT Procurement</li> <li>• Disbursement Officer</li> <li>• Disbursement Analyst</li> </ul>	

**Table 2: Skills Mix Required**

<b>Skills Required</b>	<b>Staff Weeks/Year</b>	<b>Number of Trips</b>
Senior economist (task team leader)	15 SWs	At least 3 during the first year and 2 trips per year after
Lead social protection specialist (strategic guidance)	4 SWs	At least 2 trips the first year
Program leader (strategic guidance)	1 SW	Field based
Senior social protection economist (overall implementation support/expertise on social programs, targeting, delivery systems, etc.)	15 SWs	At least 2 trips the first year
Senior Economist (overall implementation support/expertise on social registry, social programs, targeting, etc.)	8 SWs	At least 2 trips the first year
Sr. ICT Expert (overall implementation support/expertise on population registry, universal ID, etc.)	4 SWs	At least 2 trips the first year
ICT Expert (overall implementation support/expertise on systems, IT Procurement, etc.)	4 SWs	At least 2 trips the first year
DLIs Expert/Consultant (overall implementation support/expertise on DLIs).	6 SWs	At least 2 trips the first year
Operations analyst (overall implementation support, monitoring of implementation progress and results, risks, DLIs, etc.)	6 SWs	At least 2 trips a year
Senior social development specialist	1 SW	As required
FM specialist	6 SWs	Field based
Procurement specialist	6 SWs	Field based
Consultant (overall in-country implementation support)	8 SWs	Field based
Program assistant	6 SWs	Field based

## Annex 5: References

### MOROCCO: Identity and Targeting for Social Protection Project

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