

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8718-MA

Loan Agreement

(Identity and Targeting for Social Protection Project)

between

KINGDOM OF MOROCCO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 16, 2017

LOAN NUMBER 8718-MA

LOAN AGREEMENT

AGREEMENT dated June 16, 2017, between KINGDOM OF MOROCCO ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred million Dollars, (\$100,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread ; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall implement the Project through the MoI in accordance with the provisions of Article V of the General Conditions.

- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that the Social Safety Net Legislation has been amended, suspended, abrogated, repealed or waived, so as to affect materially and adversely the ability of the Borrower to perform any of its obligations arising pursuant to this Agreement, or to achieve the objective of the Project.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. 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.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Economy and Finance.
- 6.02. The Borrower's Address is:

Ministère de l'Economie et des Finances
Avenue Mohammed V
Rabat
Kingdom of Morocco

Cable address: Facsimile:
MINFIN 212-537-67-75-30/31

6.03. The Bank's Address is:

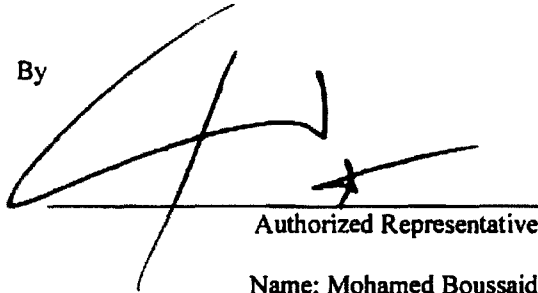
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423(MCI) or 64145(MCI) Facsimile: 1-202-477-6391

AGREED at Rabat, Kingdom of Morocco, as of the day and year first above written.

KINGDOM OF MOROCCO

By

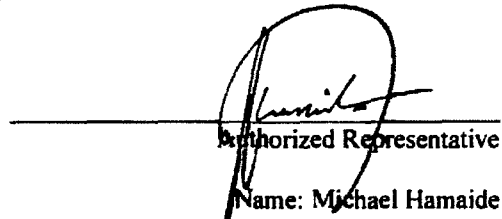


Authorized Representative
Name: Mohamed Boussaid

Title: Minister of Economy and Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative
Name: Michael Hamaide

Title: Senior Country Officer

SCHEDULE 1

Project Description

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.

The Project consists of the following parts:

Part 1: Design and Development of a National Population Register (NPR) with an Unique Identifying Number (UIN), and Establishment of a National Identity Agency (NIA)

1. 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 an 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.
2. Provision of financing through reimbursement of expenditures under Eligible Expenditure Programs, for the attribution of an UIN to the population in the Project Area.
3. Provision of financing through reimbursement of expenditures under Eligible Expenditure Programs, for the establishment and operationalization of a NIA, the NPR and the UIN.

Part 2: Design and Development of a Social Register (SR)

1. Acquisition of goods and provision of advisory services for the following activities in the Project Area: (i) evaluation and revision of operational manuals of social safety net 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 social safety net 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 system; and (x) building institutional capacity to implement the SR.

2. Provision of financing through reimbursement of expenditures under Eligible Expenditure Programs, for the establishment of the legal framework (laws and regulations) for the SR to become a functional unique entry point for SSNs.
3. Provision of financing through reimbursement of expenditures under Eligible Expenditure Programs, for the transition of RAMED, Tayssir and DAAM program beneficiaries into the SR in the Project Area.

Part 3: Project Management, Capacity Building, and Monitoring and Evaluation

1. Support to the PMU to implement the Project, including provision of technical advisory services and Training, carrying out of audits for the Project and financing of Incremental Operating Costs.
2. Support to the PMU to develop and implement an integrated monitoring and evaluation system for the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall implement the Project through the MoI. The Borrower shall ensure that the MoI implements the Project in coordination with the Ministry of Economy and Finance (MoEF), the Ministry of Health, the MoSWSD, the MoNEVT and the HCP as per the provisions of the inter-ministerial agreement for the implementation of the SR dated September 16, 2016.
2. The Inter-ministerial Steering Committee shall oversee the Project's implementation and, in particular, ensure consistency of Project activities with sectoral policies, review and validate technical, institutional, and regulatory proposals for the implementation of the Project, validate annual programs of Project activities, and monitor their progress and timely implementation, and oversee the Project's institutional communication.
3. The PMU shall be responsible for the overall coordination of Project activities and of the daily management of the Project, including all fiduciary, monitoring and reporting aspects.
4. No later than two (2) months after the Effective Date, the Borrower shall establish the SR Technical Committee with terms of reference and composition satisfactory to the Bank.
5. The NPR/UIN Technical Committee and the SR Technical Committee shall, for Part 1 of the Project and Part 2 of the Project, respectively, report to the PMU and, in particular, prepare the road maps for the design and implementation of the technical activities to be carried out under the Project, elaborate technical tools for the implementation of such activities, assure coordination and coherence of activities to be carried out under Part 1 and Part 2 of the Project, respectively, review and evaluate studies and consultancies, oversee the preparation of required technical specifications for the implementation of all planned activities under the Project, and execute the annual work programs and monitor their progress.
6. The Borrower shall ensure that the above arrangements, as further described in the POM, are maintained throughout the implementation of the Project. In particular, the Borrower shall maintain, throughout the implementation of the Project, the Inter-ministerial Steering Committee, the PMU, the NPR/UIN Technical Committee and the SR Technical Committee, in a form and with a composition and functions, staffing, and adequate resources, all satisfactory to the Bank.

7. The Borrower shall implement the Project in accordance with the POM. The Borrower shall not amend, suspend, abrogate, repeal or waive any provision of the POM without prior written approval of the Bank.
8. 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 this Agreement.

B. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Safeguards

The Borrower shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Bank's Environmental and Social Policies, as well as the Borrower's own laws relating to environment and social aspects.

D. Eligible Expenditures Programs under Parts 1.2, 1.3, 2.2 and 2.3 of the Project

1. For each fiscal year from the Effective Date until the Closing Date, the Borrower shall provide evidence to the Bank that each of the Eligible Expenditures Programs receives a budgetary allocation.
2. The Borrower shall ensure that the EEPs will comply with the eligibility criteria and procedures set forth in the Project Operational Manual.
3. The Borrower shall ensure that the EEPs will not involve any activities that could have a negative impact on the environment and/or affected people or otherwise trigger the application of the Bank's Environmental and Social Policies.

E. Verification Protocol

1. The Borrower shall carry out verification missions at least annually through the IGAT or independent verification agencies that the Bank has confirmed in writing to be acceptable, for the verification of achievement of DLRs which are set forth in the table in Schedule 4 to this Agreement, and furnish to the Bank not later than sixty (60) calendar days after the verification of compliance of said DLRs, reports on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

2. Such verifications will be based on a review of the documentation available at the MoI and the MoEF, as well as during on-site verification missions if any.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

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 Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
- B. Particular Methods of Procurement of Goods and Non-consulting Services**
1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
 2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:
 - (a) National Competitive Bidding procedures subject to the following additional procedures:
 - (i) the bidding documents include explicitly the bid evaluation method, award criteria and bidder qualification criteria;
 - (ii) technical, administrative and financial envelopes are opened immediately after the bid opening session has started and prices are read aloud;
 - (iii) 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;
 - (iv) contracts are awarded to the qualified bidder who has submitted the least-cost evaluated and substantially responsive bid as stipulated in the bidding document; and
 - (v) standard bidding documents and bid evaluation reports found acceptable by the Bank are used.
 - (b) Shopping; and
 - (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Eligible Expenditure Programs under Parts 1.2, 1.3, 2.2 and 2.3 of the Project	68,000,000	100% of amounts spent in compliance with DLI amounts set out in Schedule 4 to this Agreement as reported under the interim unaudited financial report for each withdrawal
(2) Goods, Training, Incremental Operating Costs, non-consulting services, and consultants' services for the Project other than under Parts 1.2, 1.3, 2.2 and 2.3 of the Project	31,750,000	100%
(3) Front-end Fee	250,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	100,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement ; or
- (b) for payments under Category (1), unless: (i) any applicable DLR set out in Schedule 4 to this Agreement has been met by the Borrower in a manner satisfactory to the Bank as reported in accordance with the terms of the Verification Protocol; and (ii) the relevant unaudited interim financial report has been submitted by the Borrower to, and found satisfactory by the Bank, which shall include evidence found satisfactory by the Bank, establishing that the Borrower has spent under the EEPs an amount at least

equal to the amount associated with the relevant DLR set out in Schedule 4 to this Agreement.

2. If, at any time, the Bank determines that: (i) any portion of the Loan was used to finance items improperly procured in violation of Section III of this Schedule; or (ii) any portion of the amounts disbursed by the Bank to the Borrower under Category (1) was: (a) made for reimbursement of expenditures which are not eligible under the Eligible Expenditure Programs under Parts 1.2, 1.3, 2.2 and 2.3 of the Project; or (b) not supported by evidence of actual spending by the Borrower under said Eligible Expenditure Programs and/or by evidence of satisfaction of other criteria set forth in this Agreement or in the POM, the Borrower shall promptly refund any such portion to the Bank as the Bank shall specify by notice to the Borrower. The Bank may, at its own discretion, cancel such refunded amount.
3. The Closing Date is December 31, 2021.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each May 15 and November 15 Beginning May 15, 2022, through November 15, 2041	2.50%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (a) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 4

Disbursement Linked Indicators

Parts of the Project	DLI	DLR	Amount Allocated (USD)
Part 1.2	DLI No 1: Number of newborns attributed a UIN at civil registration in the Project Area	DLR 1.1: The UIN motor generator for the NPR is operational and has been used to attribute UINs to newborns in Casablanca through civil registration.	6,000,000
		DLR 1.2: 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	5,000,000
		DLR 1.3: 113,000 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	4,000,000
		DLR 1.4: 206,000 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	2,000,000
		DLR 1.5: 266,000 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	1,000,000
	DLI No 2: Population (6 years old and above) for which an UIN has been attributed in the Project Area	DLR 2.1: An UIN has been attributed to 19 million individuals (6 years old and above)	4,000,000
		DLR 2.2: An UIN has been attributed to 25 million individuals (6 years old and above)	2,000,000
	Part 1.3	DLI No 3: NPR, UIN and NIA legally	DLR 3.1 Draft law(s) for NPR, UIN and NIA has/have been validated by the Inter-

Parts of the Project	DLI	DLR	Amount Allocated (USD)
	established and operational	ministerial Steering Committee (IMSC) and transmitted to the Government's General Secretariat.	
		DLR 3.2: The Council of Government has approved the draft law(s) for NPR, UIN and NIA.	6,000,000
		DLR 3.3: NIA has been established and is operational	4,000,000
Part 2.2	DLI No 4: SR legally established and operational to become a functional entry point for SSNs	DLR 4.1: Draft law for the SR has been validated by the IMSC and transmitted to the Government's General Secretariat.	3,000,000
		DLR 4.2: The Council of Government has approved the draft law for the SR.	5,000,000
		DLR 4.3: 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	3,000,000
Part 2.3	DLI No 5: Share of new applicants to RAMED, DAAM and Tayssir programs registered in the SR	DLR 5.1: 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	7,000,000
		DLR 5.2: 40% of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	5,000,000
		DLR 5.3: 80% of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	4,000,000

Parts of the Project	DLI	DLR	Amount Allocated (USD)
		DLR 5.4: 100% of new applicants to RAMED, DAAM and Tayssir programs in a given calendar year, have been registered in the SR.	3,000,000
TOTAL			68,000,000

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
2. "Bank's Environmental and Social Policies" means the operational environmental and social requirements of the Bank.
3. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
5. "DAAM" means *Programme d'Aide Directe aux Veuves en Situation de Précarité Ayant à Charge des Orphelins*, the Borrower's safety net program that provides direct cash transfers to widows in difficult socio-economic situation taking care of orphans, established pursuant to the Borrower's Decree No. 2-14-791 dated December 4, 2014, as amended at the date hereof.
6. "DLIs" means "Disbursement-Linked Indicators", a set of indicators as specified in Schedule 4 to this Agreement.
7. "DLRs" means "Disbursement-Linked Results", a set of results associated with each DLI as specified in schedule 4 to this Agreement.
8. "EEPs" or "Eligible Expenditures Programs" means under Parts 1.2, 1.3, 2.2 and 2.3 of the Project, a portion of the Borrower's budgetary allocation for financing cash transfers under the DAAM and Tayssir programs.
9. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
10. "HCP" means *Haut Commissariat au Plan*, the Borrower's High Planning Commission.
11. "IGAT" means *Inspection Générale de l'Administration Territoriale*, the inspection unit within the MoI.

12. "Incremental Operating Costs" means the reasonable and 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 excluding salaries of officials and employees of the Borrower's civil services.
13. "IMSC" or "Inter-ministerial Steering Committee" means the inter-ministerial steering committee for the Project established by the Borrower pursuant to the inter-ministerial agreement for the implementation of the SR, dated September 16, 2016.
14. "MoI" means the Borrower's Ministry of Interior, or any successor thereto.
15. "MoNEVT" means the Borrower's Ministry of National Education and Vocational Training, or any successor thereto.
16. "MoSWSD" means the Ministry of Solidarity, Women, Family and Social Development, or any successor-thereto
17. "NIA" means the Borrower's future National Identity Agency, a national agency under the umbrella of the MoI responsible for managing, storing and assuring the adequate use and confidentiality of the data contained in the SR, NPR and central repository of the Borrower's civil register.
18. "NPR" means the Borrower's future National Population Register, a comprehensive database of all individuals having the right to reside in the Borrower's territory, and which will assign an UIN to each individual in such database.
19. "NPR/UIN Technical Committee" means the technical committee for Part I of the Project, established by the Borrower pursuant to the inter-ministerial agreement dated December 1, 2016.
20. "Procurement Guidelines" means the "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).
21. "Procurement Plan" means the Borrower's procurement plan for the Project, dated December 19, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "Project Area" means the regions of Tanger-Tétouan-Al Hoceima, l'Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, and Souss-Massa, and the provinces of Guelmin, Tan-Tan and Sidi-Ifni of the Borrower.
23. "Project Management Unit" or "PMU" means the project management unit at the MoI established pursuant to Decision No. 6450 dated September 8, 2016, and the annex thereto, issued by the MoI.
24. "Project Operational Manual" or "POM" means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project, including the format for the interim unaudited financial reports and the Verification Protocol, to be adopted by the Borrower, and referred to in paragraph 7, Section I.A of Schedule 2 to this Agreement.
25. "RAMED" means *Régime d'Assistance Médicale*, the Borrower's regime of medical assistance for economically deprived individuals and families, established pursuant to the Borrower's Law No. 6500 dated October 3, 2002, Decree No. 2-08-177 dated September 29, 2008, and Order (*Arrêté*) No. 836-08 dated September 29, 2008, all as amended at the date hereof.
26. "Social Safety Net Legislation" means the Borrower's Decree No. 2-14-791 dated December 4, 2014, the Borrower's Law No. 6500 dated October 3, 2002, Decree No. 2-08-177 dated September 29, 2008, Order (*Arrêté*) No. 836-08 dated September 29, 2008, and the ministerial note No. 129 dated November 21, 2008, all as amended at the date hereof.
27. "SR" means the Borrower's future Social Register, an information system used as an entry point for entry/registration of applicants of different safety net programs of the Borrower, to collect and cross-check socioeconomic information regarding the beneficiaries of such programs and their household.
28. "SR Technical Committee" means the technical committee for Part 2 of the Project, to be established by the Borrower pursuant to paragraph 4, Section I.A of Schedule 2 to this Agreement.
29. "SSN" means Social Safety Net.
30. "Tayssir" means the Borrower's conditional cash transfer program against school drop-out for children from poor and deprived families, established pursuant to the ministerial note No. 129 dated November 21, 2008, as amended at the date hereof.

31. "Training" means the costs of: (i) reasonable expenditures for national and international travel, room and board and *per diem* expenditures incurred by trainers and trainees and by non-consultant training facilitators in connection with training provided under the Project; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction, and distribution expenses; and (v) participating in national and international workshops and conferences.
32. "UIN" means Unique Identifying Number.
33. "Verification Protocol" means the DLR verification process as set forth in the Project Operational Manual.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:
"Section 3.01. *Front-end Fee; Commitment Charge*
 - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
 - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:
"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01(a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".