



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-Jul-2024 | Report No: PIDDC00350

**BASIC INFORMATION****A. Basic Project Data**

Project Beneficiary(ies) Morocco	Operation ID P504398	Operation Name Morocco Second Identity and Targeting for Social Protection Project	
Region MIDDLE EAST AND NORTH AFRICA	Estimated Appraisal Date 22-Jul-2024	Estimated Approval Date 30-Oct-2024	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Interior	

Proposed Development Objective(s)

The PDO is to expand coverage of the Digital Civil and Social Identifier (DCSID) for the Moroccan population and foreign residents and improve the targeting of Social Safety Net programs.

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	60.00
Total Financing	60.00
of which IBRD/IDA	60.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	60.00
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Environmental and Social Risk Classification

Moderate

Concept Review Decision

The review did authorize the preparation to continue

Other Decision (as needed)

N/A

B. Introduction and Context

Country Context

Morocco, a country that has made significant strides in sustainable development, has been a beacon of progress since 2000. Its ambitious social protection and health reforms have made public spending more equal and expanded the protection of citizens against various risks. The country's political stability, large public investments, and institutional and sector reforms have further bolstered its development. Between 2019 and 2000, accelerated economic growth has led to a significant increase in income and a sharp decline in the national poverty rate. Extreme poverty was close to being eradicated, with a national poverty rate of just 1.7 percent.¹The increased economic growth in Morocco has improved life expectancy and access to basic public services and paved the way for significant public infrastructure development.

However, over the past few years, Morocco has had to face challenges, including the impact of inflation and climate change. These factors are expected to significantly affect future economic growth and shared prosperity, directly impacting the poor, vulnerable, and rural households. The COVID-19 pandemic, in particular, led to the first recession in over two decades, with reduced economic activity, disrupted supply chains, and decreased demand for local goods and services. Inflation has also affected trade in 2022, leading to greater gross domestic product fluctuations and a slower economic recovery. As one of the most water-scarce countries in the world, Morocco's climate-related risks, such as drought, pose a significant threat to its economy. Since 2019, final consumption expenditure per capita has remained stable, and inactivity rates in labor markets have continued to rise, particularly for women and youth. Unemployment reached a historical high in 2023 at 13.5 percent nationally. Rainfed agriculture, which covers eighty (80) percent of the country's cultivated area and represents a third of the total workforce, has been severely impacted by successive droughts, leading to significant job losses and food price increases and disproportionately affecting poorer households². An adaptative and better-targeted social protection system will be a more cost-effective tool for mitigating the impacts of these shocks.

¹ Official Haut-Commissariat au Plan's (HCP) rate, based on the *Enquête Nationale sur les Sources de Revenus* (ENSR) 2019. The World Bank calculations based on data from the Household Consumption and Expenditures Survey 2013/14, HCP, and updated using quintile growth from ENSR 2019, indicate a three (3) percent rate.

² Morocco Economic Monitor, World Bank 2023.



Sectoral and Institutional Context

Morocco has embarked on a comprehensive and ambitious reform program for the whole social protection sector and has made significant headway in implementing it. During his speech to the nation in 2018, the King emphasized the need for a harmonized and integrated social protection system. The speech also contributed to creating a targeting system with a unified Social Registry (SR) at its heart. Moreover, the experience with emergency cash transfers during the COVID-19 crisis underscored the urgency and feasibility of implementing this system. The reform strategy³ capitalizes on Morocco's achievements in developing and implementing the National Population Registry (NPR) and the SR. These strategic registries lay out the foundation of the overall social protection reform. They are the basis of an integrated and adaptive social protection system. The Ministry of Interior (Moi) accelerated the implementation of the NPR-SR by encouraging the poor and vulnerable to enroll, thereby evaluating their potential eligibility for social programs. After the successful pilot phase, the Moi launched, at the end of 2022, a strategy to accelerate the generalization of the NPR-SR, aligning it with the implementation schedule of the wider social protection reform. In December 2023, just two years after the launch of the pilot, nearly fifty (50) percent of the total population was enrolled in the NPR, and more than forty (40) percent in the SR⁴.

In December 2022, the health insurance scheme for the poor and vulnerable RAMED⁵ was replaced by a new non-contributory pillar of the mandatory health insurance regime (AMO⁶). This new non-contributory pillar, called AMO-TADAMON ("solidarity" in Arabic), harmonizes benefits and coverage parameters with the contributory pillars of AMO. It is also the first social protection program that utilizes the SR scoring system based on a proxy-means test formula. The new system is expected to improve the identification and targeting of the poor and vulnerable population.

The Government of Morocco also launched the Direct Social Benefit (DSB) program in December 2023. This program will cover up to sixty (60) percent of the population, improve human capital, sustain growth, and enhance resiliency to shocks. The DSB program will capitalize on the NPR and SR to harmonize existing fragmented Social Safety Nets (SSNs).

The operation will also continue supporting the implementation of the NPR, the SR, and the National Registry Agency (NRA), improving the efficiency of the identification and targeting tools to tailor social services to individuals and households' needs and laying the foundations for an innovative and adaptive social protection system in Morocco.

Relationship to Country Partnership Framework (CPF)

The proposed project is aligned with the strategic objectives of the World Bank Group (WBG), Morocco's CPF (2019-2024) (Report No. 131039-MA), which was discussed by the Board of Executive Directors on February 19, 2019. More specifically, it is aligned with the CPF 's second area of strategic focus, "strengthening human capital," and one of its two cross-cutting themes, "digitalization." It is also aligned with the CPF Performance and Learning Review (FY19-25) of July 16, 2023 (Report No. 184047-MA).

C. Proposed Development Objective(s)

³ The reform strategy envisions gradually building and improving an integrated social protection system that protects people against potential risks by: (i) harmonizing and regrouping existing social protection programs to create more efficiency and effectiveness; (ii) progressively expanding the coverage of programs; and (iii) prioritizing and reforming contributory social protection programs.

⁴ SR data, December 2023.

⁵ Régime d'assistance médicale.

⁶ Assurance maladie obligatoire.



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Key Results (From PCN)

The PDO will be monitored through the following PDO-Results Indicators:

- Population to whom a DCSID has been attributed (of which 50 percent are female)
- Persons with a disability to whom an IDCS has been attributed
- Beneficiaries of SSN programs
 - Number of Individuals registered in the SR with updated welfare scores
 - Numbers of beneficiaries of SSN programs with updated benefit information in the SR.

D. Project Description

The proposed project will comprise four components:

Component 1: Strengthening and extending coverage of the NPR and operationalizing the NRA will continue to support the NPR national rollout as an innovative, paperless, and inclusive identification tool to facilitate access to social protection programs. The NPR provides a means for accurately identifying and digitally authenticating individuals. It collects, registers, and stores biographic and biometric identity data and issues a DCSID on demand for the Moroccan population, including minors, newborns, and non-nationals living in Morocco. Obtaining a DCSID is part of the application for SSN programs and will be optional for the rest of the population.

Component 2: Implementing and enhancing the SR System will support strengthening the SR system to improve social inclusion, data quality, data security, and data privacy. The strengthening of the SR system activities will be guided by international good practices but tailored to the country's specificities towards pushing the social protection system into a modern, adaptive, and digital system. The activities of this component will also entail an evaluation and a revision of the current welfare ranking system that helps further improve the targeting performance of selected user programs that use the SR system to support their eligibility criteria application.

Component 3: Project management, capacity building, and monitoring and evaluation will finance activities related to the management, implementation, and monitoring to ensure it is successfully and efficiently implemented. The component will also finance incremental operating costs and expenditures incurred by the project management unit.

Legal Operational Policies

	Triggered?	
	Last approved	Current
Projects on International Waterways OP 7.50	No	



Projects in Disputed Area OP 7.60

No

Summary of Screening of Environmental and Social Risks and Impacts

The Project Environmental and Social (E&S) risk rating is assessed as moderate. The project will not support any large civil works that would directly impact livelihoods through risks such as land acquisition and/or resettlement. Potential negative impacts are expected to be negligible or minor, temporary, and fully reversible. The project will have mostly positive impacts by providing access to identification through the attribution of a DCSID to the entire Moroccan population, including foreign residents, and by providing poor and vulnerable households and individuals with greater access to social services. The potential E&S risks associated with the implementation of the project will be reduced through appropriate mitigation measures.

The relevant Environmental and Social Standards (ESSs) are ESS1 (Assessment and Management of Environmental and Social Risks and Impacts), ESS2 (Labor and Working Conditions), ESS3 (Resource Efficiency and Pollution Prevention and Management), ESS4 (Community Health and Safety), and ESS10 (Stakeholder Engagement and Information Disclosure).

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APPROVAL

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