Report Number: ICRR0022098

1. Project Data

Project ID	Project Name
P144134	DTF: MA-Youth Micro-Entrepreneurship
Country	**Practice Area(Lead)**
Morocco	Social

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
TF-15089	31-Mar-2018	4,837,483.25
Bank Approval Date	**Closing Date (Actual)**	
27-Jun-2013	31-Aug-2019	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	5,000,000.00	5,000,000.00
Revised Commitment	4,837,483.25	4,837,483.25
Actual	4,837,483.25	4,837,483.25

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2. Project Objectives and Components

a. Objectives

The objective of the project Strengthening Micro-Entrepreneurship for Disadvantaged Youth (P144134) was to provide Beneficiaries in the Project Areas with access to micro-entrepreneurship development services (Financial Agreement, pg. 6). The legal agreement had the same objective as the PAD dated June 28, 2013. The objective did not change throughout the life of the project.

Beneficiaries were defined as disadvantaged man or woman between the ages of 18 and 29 who were aspiring to be or were an entrepreneur with secondary education or less[1] [2] , as selected pursuant to the provisions of the POM[3] . The beneficiaries would also include individuals that were outside the labor market or actively in the informal sector, having basic know-how in a specific activity or trade, and ideally having an idea of a business start-up in mind (PAD, para. 17).

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Integrated Micro-entrepreneurship Support for Disadvantaged Youth in the Project Areas (Appraisal cost was estimated at US$2,956,400. At closing the cost was US$2,860,000). This component aimed at providing non-financial support to 5,000 disadvantaged youth to facilitate the start-up and expansion of local youth-led micro entrepreneurship (PAD, para. 23). The project aimed to achieve this by carrying out market assessments to identify key growth sectors, constraints for businesses and trades, and possibilities for growth (PAD, para. 23). It also sought to build entrepreneurship skills and support a sub-set of participants in post-enterprise creation business development support, such as mentoring, physical space, and assistance to access markets (PAD, para. 23).

Component 2: Institutional Capacity Building (Appraisal cost was estimated at US$813,300. At closing the cost was US$690,000). This component aimed at providing capacity support to ensure that Component 1 was successfully implemented. Support included product and curricula development, strengthening of institutional capacity for service delivery, and capacity building to recipient agencies and local entities (PAD, para 26). This component also included capacity support for monitoring and evaluation (PAD, para 26).

Component 3: Project Management and Institutional Capacity Building (Appraisal cost was estimated at US$1,100,000. At closing the cost was US$1,270,000). This component aimed to finance the Project Management Unit (PMU), including all project coordination, financial management, implementation of monitoring and evaluation, communications, and oversight of local implementing organizations and service providers (PAD, para. 28).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost. At appraisal, the total cost of the project was estimated at US$5 million, of which all would be allocated through an Investment Project Financing by the World Bank (PAD, pg. i). At closing, the total project cost was projected at US$5 million (ICR, pg. 2).

Financing. A total of US$5 million was financed through a Trust Fund (TF-15089). The grant amount was revised to US$4,837,483. At the end of the project, the actual disbursement was US$4,837,483 (ICR, pg. 2).

Borrower Contribution. There were no provisions in the PAD or in the legal agreement that indicated that the Borrower had to make a financial contribution to the project.

Dates. The project was approved on the 27th of June 2013 and became effective on August 27, 2013. The midterm-review (MTR) took place on March 25, 2016 (ICR, pg. 2).

On March 30, 2018 a project restructure was approved. It consisted of changes to the loan closing dates, disbursement arrangements, and implementing schedule. The project close date was moved from the 31 of March 2018 to March 31, 2019.

On March 31, 2019 the project received another 6 month extension. The no-cost extension was to allow for the continuation of the post-creation entrepreneurship support beyond the 12 month period (ICR, para 12). The project closed on August 31, 2019, which was17 months after the original closing date (ICR, para 12).

3. Relevance of Objectives

Rationale

At the time of appraisal, Morocco's overall economic performance was strong, but young people were disproportionately affected by economic exclusion. Among youth, 51 percent of the 15-29-year age bracket were out of school and out of work. Low skilled youth represented 63 percent of all unemployed youth. Females were particularly vulnerable with 82 percent not in school due to family reasons or discouragement (PAD, para 1). Moreover, 87 percent of youth worked in the informal sector.

There was a growing interest in developing small enterprises. Starting and expanding a business remained a challenge for disadvantaged youths. Obstacles included lack of access to information, skills, finance, land and property rights, pre-post start up orientation, and micro-entrepreneurship development support.

Previous Sector Experience: The Government of Morocco had been implementing several high-profile development programs and sectoral strategies focusing in the areas of education, employment, and youth (PAD, para. 3). These projects included the second phase of the National Human Development Initiative (INDH). The first phase of the INDH project yielded several important lessons that were incorporated into the design of this project (PAD, para. 32). The project was also designed keeping in mind evaluation findings from other donors, such as the EU, and literature review related to youth-led micro-enterprises (PAD, para 31-34).

Alignment with Development Goals: The objective of this project was to provide access to services for disadvantaged youth to increase their opportunities at successful micro-enterprises. If the project was successful, it would fully support the World Bank Development twin goals of reducing poverty and increasing economic growth. This would be done through job creation and income generation among disadvantaged youth (ICR, para. 26).

Alignment with Government Development Strategy: The project aligned with the Government of Morocco's strategy to formalize informal enterprises and strengthen the availability of non-financial support services to small businesses at the local level (ICR, para. 3).

At the time of appraisal, the project's objective was very relevant. The Country Partnership Strategy of 2014-2017 highlighted the challenges that disadvantaged youth had in setting up their own micro-enterprise (CPS 14-17, para 29). The project's objective supports the CPS's result area: Promoting Competitive and Inclusive Growth (CPS, pg. 19), in particular Strategic Outcome 1.6 Improving Higher Education or Vocational Training for youth (CPS, pg 22-23). At closing, the objective continued to be relevant to achieving Strategic Objective A: Promoting Job Creation by the Private Sector, in Specific Outcome: Increasing Opportunities for Private Sector Growth with a Focus on MSMEs and Youth Employability (CPF, pg. 22).

Overall, the project's objective was relevant given the context and the priorities of the government as outlined in the Country Partnership Frameworks. If the project were to be successful, it would support the achievement of the World Bank's Development Strategy. The relevance of the objective is rated high.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To provide Beneficiaries in the Project Areas with access to micro-entrepreneurship development services.

Rationale

The project aimed at achieving the objective of providing disadvantaged youth, including women, with access to micro-entrepreneurship development services. In addition, there were two underlying outcomes that were described in the PAD. They included (a) strengthening the capacity of national and local stakeholders to provide assistance to youth in starting and growing their micro-enterprises and (b) supporting rigorous learning about the effectiveness of unemployment support to inform scale up of the project.

The theory of change that underpinned this project stated that disadvantaged youth would be more likely to launch or grow their micro-enterprises if they received training, learned about business development, and were mentored for a period of one-year. Moreover, the project believed that in order for the results to be sustainable, the project needed to raise the capacity of national and local stakeholders to ensure quality implementation, support, and long-term engagement.

The theory of change tackled important gaps that needed to be closed in order for youth to launch their own businesses. The proposal also integrated gender analysis and described means by which young women would benefit from the program. One barrier that the theory did not take into account was the lack of income or finances available for youth to begin their business endeavors, in particular for disadvantaged youth. Without seed funding, youth are often unable to test let alone implement their initiatives. Given that the target of this project was disadvantaged youth, the lack of funds is an important oversight of the theory of change and project design.

The logical framework stressed the importance of measuring who participated, quality of trainings delivered, and capacity strengthening of institutions. Unfortunately, the indicators in the PDO failed to take into account any kind of outcome or impact of the project. For example, the project did not seek to measure the number of businesses that were launched, employment rates, or return to school rates. Without this information it is difficult to assess the outcome of the trainings and what additional constraints or barriers the youth faced as they attempted to implement or grow their micro-enterprises. This is a major flaw of the logical framework. Moreover, the logical framework also did not include indicators to measure the quality of performance of the NGO implementing partners.

While it was not part of the logframe, the project collected some of this data through its outcome evaluation. The assessment of the outcome of this project is primarily drawn from results of the outcome evaluation included in the ICR.

Outputs:

- 13,293 youth participated in pre-identification boot camp, of which 46% were women (Target exceeded. Target: 10,000, 40% women, ICR, pg. 22-23).
- 6,822 youth of which 3,343 were women (49%) benefited from the project (Target exceeded. Target: 5,000 youth, 40% women. ICR, pg. 10).
- 5,761 youth completed entrepreneurship training, of which 2,535 were women (44%) (Target exceeded. Target: 4,500 youth, 40% women. ICR, pg. 10).
- 2,813 youth received post-creation follow up support for at least 12 months, of which 1,086 were women (38.6%) (Target mostly exceeded. Target 1,800 youth, 720 female (40%) ICR, pg. 10).

Outcomes

Micro-Enterprises Created. The project was able to reach, train, and provide support to more youth than originally targeted. More than 4,500 youth received project support to register their business (ICR, para. 36). At project closure, 2,572 enterprises were created of which 67% attained legal status of auto-entrepreneur and 31% were cooperatives (ICR, pg. 28). Businesses created operated in the following sectors trade (37.5%), services (29%), arts and crafts (13.5%) and agriculture (12%) (ICR, pg. 28). A total of 4,221 beneficiaries participated in legally registering a business (either as auto-entrepreneurs or as a cooperative) (ICR, para 28 and World Bank Interview, 2020).

Barriers to Forming a Micro-enterprise. While the project helped some youth form a business, the barriers that other youth experienced should not be overlooked. From the evaluation, out of a sample of 361 participants, 158 beneficiaries formed a company. This means that 56% of those individuals surveyed did not. Moreover 11% of survey respondents stated that after starting a small enterprise they had to quit it (ICR, pg. 42). Reasons for not forming a company included financial burden (84%), skill-set not enough to overcome budgetary obstacles, and desire to continue an education (6%) (ICR, pg. 41). Focus groups also highlighted that another reason for not forming a company remained apprehension of taxes and fiscal legislation (ICR, pg. 41). Participants would prefer to remain in the informal sector.

Improvement in Economic Situation of Beneficiaries. The project had mixed results in improving the economic situation of beneficiaries. According to the beneficiary survey, the project helped improve the economic situation of at least more than half of survey respondents who became entrepreneurs (52%) (ICR,para. 15) . Other entrepreneurs did not see a change in their economic situation. For example, 57% of survey respondents that had succeeded in becoming entrepreneurs reported that their overall economic situation had improved after the enrollment in the project (ICR, pg. 37). A total of 38% of those that launched their own business did not see a change in their economic situation (ICR, pg. 37) and a small percentage of the ones that succeeded in establishing an enterprise saw a deterioration in their economic situation (ICR, pg 37).

After project closure, of the 304 respondents who had never worked, 98 (32%) had paid jobs, 91 (30%) were self-employed, and 31 (10%) were employers. A total of 53 (17%) did not have work (ICR, pg. 43).

Perceived Benefits of Training. The youth that were successful in becoming entrepreneurs were more likely to view the project as very beneficial than those that did not (65% vs. 52%) (ICR, para. 15). Of the sampled population, 59% of males and 57% of females surveyed viewed the project as being very beneficial . The outcome evaluation defined beneficial as “the extent that the program changed anything in your life” (World Bank Interview, 2020). It is important to note that 6% of respondents surveyed stated that there were no benefits from the project (ICR, para. 15).

Quality of Trainings. While generally most project participants felt that the trainings were useful, survey respondents also felt that the quality of the trainings could be improved. A total of 84 % of participants rated the quality of training package useful or very useful (Target exceeded. Target: 80%, ICR, pg. 23). Unfortunately, “useful” was not defined in the M&E plan (World Bank Interview, 2020) Focus group discussions with participants highlighted that the project helped participants understand the value of marketing, articulate goals professionally, and take ownership of feasibility of their aspirations (ICR, para. 16). That said, the quality of the training could have been improved as participants felt that the training courses were challenging because of language barrier (training was delivered in French as opposed to Arabic) and the material was too academic in nature (ICR, para. 36). Given that the target population was disadvantaged youth that had at most completed a high school diploma, the language and material choices hindered quality.

Similarly, while the post-training mentoring was useful, survey respondents felt could have been improved. Eight-seven percent of beneficiaries also evaluated the post-creation follow-up support as useful or very useful (Target exceeded: Target: 80%, ICR, pg. 24). The evaluation found out that the training provided management and business planning skills, but lacked depth and follow up related to budgetary management and profitability (ICR, pg. 38). For the post-creation training, the evaluation uncovered that the courses were very academic and theoretical. Simultaneously, focus group participants felt it was too superficial and it did not relate to their day to day activities (ICR, pg. 39).

That said 92% of participants that launched a business and 87% that did not, felt that the project trainings taught them how to run a small business (ICR, pg. 40).

Lack of Financial Assistance. The project experienced a miscommunication between the implementing agencies and the youth. Some youth had the impression that financial assistance would be provided as part of the project component (ICR, pg. 39). This created a sense of disappointment and discontent among numerous youth (ICR, pg. 39). The project created partnerships with two microfinance institutions and grantmaking and soft loan institutions (ICR, para 25). At least 91 93% of total) enterprises created benefited from the project’s partnership (ICR, para. 25). However, 85% of the businesses that were created were selffunded, and 15% received donations or other resources (ICR, pg. 28). Eighty-one percent of businesses invested less than US$5,200, 14% between US$5,200-US$10,400, and 5% more than US$10,400 (ICR, pg. 28). The evaluation also uncovered that many beneficiaries underestimated the cost of either equipment, staff or rent (ICR, pg. 38).

Female Youth. The courses may have been more beneficial for female youth, even though there were more male than female youth entrepreneurs. According to the outcome evaluation, females reported that the project content was interesting and it taught them to run a small business more than their male peers (ICR, pg. 36-37). Females also reported, on average, that the project had a larger positive effect on their lives relative to males (ICR, pg. 37). Qualitative research demonstrated that the project granted female youth perspective in different employment pathways (ICR, pg. 42). Urban respondents also reported a higher overall benefit from the project than rural respondents (ICR, pg. 37).

Strengthening Capacity of Implementing Partners and Other Stakeholders

Outputs:

- 251 youth professionals, of which 42 percent were women, at implementing NGOs/CBOs were provided with training and support (Target exceeded. Target: 200 of which 40% were women, ICR, pg. 24).
- 201 public officials at central and local level were trained by the program (Target not met. Target: 250, ICR, pg. 25).

Outcomes

The project also sought to strengthen the capacity of implementing partners to provide assistance to youth in starting and growing their micro-enterprises. Support was given primarily in the form of trainings. The ICR did not specify why the project did not meet the output target of training 250 public officials. All stakeholders that participated in trainings rated the quality of the training useful or very useful (Target exceeded. Target: 80%, ICR, pg. 25). Moreover, 94% of youth professionals that participated in the Monitoring and Evaluation (M&E) training rated the quality of the training as useful or very useful (Target exceeded. Target: 80%, ICR, pg. 25). As a result of the project, the implementing partners also developed training tools (World Bank Interview, 2020). They also formed a dedicated network to continue to work with disadvantaged youth (World Bank Interview, 2020).

Rating
Substantial

OVERALL EFFICACY

Rationale

On balance, the project met the PDO indicators and it implemented the activities as planned. It met the requirement of providing youth with access to micro-entrepreneurship development services. There is also evidence that businesses were created. The economic well-being of participants was mixed. While some of the participants experienced improved income, others did not. That said, quality of training had some glaring weaknesses in particular language that the courses were led and level of content. The project seemed to have benefited female youth more than male youth, even if they did not launch a business. As a result, the objective is rated as Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Scope of Analysis. A financial and economic analysis was not carried out as part of the design of the project (PAD, para 50). The PAD argued that public sector involvement to support youth private enterprise through non-financial services was justified by the weak market capacity to enable low income youth to start and grow new businesses. (PAD, para. 50). At preparation it was estimated that the cost per beneficiary would be US$800. These projected costs were in line with similar projects where the average cost per-beneficiary was between US$500- 2,000 (PAD, para. 50). The project expected to conduct an ex-post economic and financial analysis of the training and coaching activities and calculate rates of returns based on income change (PAD, para. 51). A financial and economic analysis of the capacity building of institutions was determined to not be feasible (PAD, para. 51).

Economic Analysis. At project closure, the project calculated that the cost per beneficiary was US$830 (ICR, pg. 32). This calculation was based on (i) the direct implementation cost of the entrepreneurship support activities, (ii) the indirect cost of the institutional support and technical assistance and (iii) and training completion. If the analysis considered all the beneficiaries that received entrepreneurship support then the cost per beneficiary would be US$750 (ICR, pg. 32) The cost per beneficiary is on the lower end of cost comparisons and meets the expected target at appraisal.

An outcome evaluation was conducted which yielded important social and economic benefits of the project, which are outlined in the Efficacy section. However, the project did not calculate the rate of return of the training and coaching activities as planned (World Bank Interview, 2020) which was a substantial shortcoming. The project experienced challenges in data collection when relying on multiple service providers (World Bank Interview, 2020). An analysis on the quality of services delivered by the contracted service providers was also not carried out (ICR, para. 20). This assessment would have provided insight into value for money of the services under the project (ICR, para. 20).

Operational Efficiency. Although there were administrative delays in this project, the project did not incur project cost escalations (ICR, pg. 32). The project did experience fiduciary management challenges that impacted the efficiency of the project (see Section #10. Fiduciary Compliance) (ICR, para 20).

Overall, the project met its expected cost-per beneficiary target and maintained its costs at the lower end of other similar project projections. However, it did not carry out a planned analysis to assess rates of returns. As the ICR reflected, it also could have conducted a value for money analysis of the services provided and of the operational inefficiencies. Moreover, there were administrative and fiduciary management challenges that impacted the project. On balance, the efficiency of this project is rated at modest.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The project's objective aimed at improving access to services to disadvantaged youth to establish small businesses. The objective was relevant given the context, and the priorities of the government as outlined in the Country Partnership Frameworks. The relevance of the project objective is rated as high.

All PDO indicators met the basic requirement of the objective. There is also evidence that businesses were created and the economic well-being of some, but not all, of the participants also improved. That said, the quality of training had some glaring weaknesses, in particular language in which the courses were given and the content level. . As a result, the overall efficacy of achieving the PDO is rated as substantial.

Overall, the project met its expected cost-per beneficiary target and maintained its costs at the lower end of other similar project projections. However, it did not carry out a planned analysis to assess rates of returns. On balance, the efficiency of this project is rated at modest.

In summary, the project's objective was relevant and the project was able to meet its intended results. While the project met its expected cost-per beneficiary target, it experienced disbursement and procurement set-backs. On balance, the outcome of this project is rated as moderately satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

There were two main risks to the development outcome:

Continued mentorship for youth. The project aimed to increase capacity of implementing partners in order for them to continue to provide services beyond the life of the project (ICR, para 53). Some organizations are committed to continue to work with disadvantaged youth. However, it is unclear to what extent the youth that participated in this project have access to long-term mentors and support.

Access to Long term Capital. Many youths were successful at starting their own micro-enterprises, but a majority used personal funds as seed capital. In order to continue to grow or maintain their business they may need access to financial capital, which may not be available from traditional sources, such as banks.

8. Assessment of Bank Performance

a. Quality-at-Entry

The design of the project was relatively simple and purposely envisioned as a pilot. Its objective could have been better defined as ‘access’ is rather a vague term. The objective was supported by a straightforward theory of change that aimed at providing services to disadvantaged youth while simultaneously building capacity of implementing agencies. The PDO indicators could have been focused on the outcome and impact of the project on the beneficiaries, as opposed to merely measuring access to services (ICR, para. 50).

The project’s objective had strategic relevance, aiming to lift youth out of poverty. The design of the project was also based on evidence and lessons learned from similar projects. Some of the key evidence was incorporated into project design: (a) programs related to entrepreneurship creation should include training, financing, and coaching elements; (b) greater effectiveness is likely when programs are implemented through local organizations, (c) the systematic targeting of women leads to more effective program results and (d) similarly, low-income youth need to be targeted at the outset (PAD, para. 31 and 34). The PAD also integrated gender analysis throughout the design of the project.

The project also included an ambitious impact evaluation intended to assess impact and effects of treatments on the different project participants. At the design stage, the impact evaluation could have been better integrated into the narratives of components. Institutional arrangements to build ownership would have been more effective had they been established at project conception.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

The World Bank worked towards mitigating some of the key challenges that the project experienced. These challenges were in the area of fiduciary compliance, measuring results, project delays, and staff turnover. For example, the Bank worked towards ensuring that the government reimbursed the ineligible expenses and that the PMU prepared and implemented an action plan (ICR, para. 51).

The impact evaluation, a critical cornerstone of the measurement system and pilot design, was not implemented. The impact evaluation was supposed to be managed by the World Bank task team with close coordination with the Ministry of Youth and Sports, PMU, and service providers (ICR, para. 33). The measurement approach, selection and vetting of beneficiaries could have better been communicated with service providers (ICR, para. 51). Unfortunately, the Bank was notified that service providers had trained beneficiaries in the control group after the fact and as a result the impact evaluation could not be conducted (World Bank Interview, 2020) This risk to the measurement plan is an important oversight by the implementing partners, which the World Bank could have anticipated given the Bank’s experience with implementing impact evaluations. The Bank shifted the evaluation approach towards an outcome evaluation that provided data to assess the effectiveness of the project.

The project implemented results-based payment to help maintain expected deadlines. However, this system caused excessive pressure to achieve results at the expense of project quality. For example, implementing partners rushed the recruitment process and did not vet participants to ensure that they had the competences necessary to become entrepreneurs (ICR, para. 56). This may have been because payments were made against the delivery of agreed results. This system put pressure on NGOs to deliver according to agreed schedules and deliverables (ICR, para. 30). Despite this pressure, the project experienced delays due to the hold ups in payment of the service providers. These payment delays affected the reputation of the project, and decreased motivation among the service providers (ICR, para. 34). These delays also impacted the project’s efficacy and impacted youth ability to take advantage of the training in a comprehensive and coherent manner (ICR, para. 35).

The MTR (March 2016) also proposed mid-term course corrections related to financial management, procurement procedures and systems, pace of implementation and proposed adjustments to the activities (ICR, para.51).

However, the project also experienced delays in the implementation of activities as the MYS dismantled the PMU and transferred responsibility to civil servants. This decision was made with the objective to “mainstream the approach within the MYS beyond the duration of the pilot project and enhance the MYS capacity to manage future similar projects at scale” (ICR, para. 37).

Some of these challenges were outside the control of the Bank including staff changes and implementation of procurement and financial management. Given the Bank’s experience in implementing such evaluations some of the constraints related to beneficiary selection could have been anticipated. The outcome evaluation that was implemented provided good data. Given that these issues affected efficiency and M&E quality, the quality of supervision is rated moderately satisfactory.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Theory of Change. The theory of change that underpinned this project stated that disadvantaged youth would be more likely to launch or grow their micro-enterprises if they received training, learned about business development, and were mentored for a period of one-year. Moreover, the project believed that in order for the results to be sustainable, the project needed to raise the capacity of national and local stakeholders to ensure quality implementation, support, and long-term engagement.

The theory of change tackled important gaps that needed to be closed in order for youth to launch their own businesses. The proposal also integrated gender analysis and described means by which young women would benefit from the program. One barrier that the theory did not take into account was the lack of income or finances available for youth to begin their business endeavors, in particular for disadvantaged youth. Without seed funding, youth are often unable to test let alone implement their initiatives. Given that the target of this project was disadvantaged youth, the lack of funds is an important oversight of the theory of change and project design.

Results Framework. The logical framework stressed the importance of measuring who participated, quality of trainings delivered, and capacity strengthening of institutions. Unfortunately, the indicators in the PDO failed to take into account any kind of outcome or impact of the project. For example, the project did not seek to measure the number of businesses that were launched, employment rates, or return to school rates. Without this information it is difficult to assess the outcome of the trainings and what additional constraints or barriers the youth faced as they attempted to implement or grow their micro-enterprises. This is a flaw of the logical framework. Moreover, the logical framework did not include indicators to measure the quality of performance of the implementing partners. The PAD and subsequently the M&E system also failed to define key terms in the objective. For example terms such as “access” and “development services” were rather vague and open-ended.

M&E System. The PAD outlined the project’s commitment to putting together a straight forward M&E system that focused on tracking progress, results, and learning. The key monitoring activities included (a) implementing an Information and Communication Technology tool (ICT) to enable real-time monitoring, and (b) evaluations of training sessions (PAD, para. 41).

The PAD also outlined an impact evaluation that would inform the program's future expansion. This evaluation would seek to answer the project’s impact on beneficiaries’ knowledge, viability of business, income levels, and dosage and delivery method of the different activities. The impact evaluation was meant to be carried out by an independent firm, follow a randomized design, and enable participants registered into different treatment arms (PAD, para. 42). Simultaneously, the project would carry out a process evaluation to assess the quality and effectiveness of services delivered (PAD, para. 56).

The PAD also outlined that the PMU was responsible for monitoring the project.

b. M&E Implementation

The project developed an M&E plan and the PMU carried out the day to day monitoring and reporting (ICR, para 40). Unfortunately, the M&E plan did not define key words in the indicators such as “usefulness” of training (World Bank Interview, 2020). Without defining key words in indicators, data and findings is unreliable and left open to interpretation. Biannual reports included information on the results and indicators (ICR, para. 41). An Information and Communication Technology (ICT) platform was used by service providers to report results in real time (ICR, para. 41).

The impact evaluation conducted its baseline study and yielded useful information on the profile and capabilities of the project beneficiaries (ICR, para. 43). However, the roll out of the evaluation faced major challenges related to the inability of service providers to abide by randomization of beneficiaries, lack of capacity of the independent firm in understanding local constraints, and failure of the World Bank to propose alternative solutions (ICR, para. 43). The impact evaluation was eventually replaced by an outcome evaluation (ICR, para. 43).

c. M&E Utilization

According to the ICR, the data collected was used in the ISRs. The PMU regularly verified individual beneficiary participation in project activities and delivery of services by service providers. The outcome evaluation was prepared and informed the preparation of a follow up project (ICR, para. 44).

While the data may have been used for report writing, the monitoring data was not used to improve project implementation. For example, the outcome evaluation reported that there were problems with the training provided to the youth, including a language barrier and materials being too academic in nature. These gaps could have been addressed through a strong monitoring program. It is unclear in the ICR whether this data was not collected in real-time or whether the implementing actors did not adequately reflect on the data and information.

The overall rating of quality of M&E is rated modest. The M&E design had key weaknesses in its choice of indicators and failure to adequately define the objective. The outcome evaluation also uncovered program quality challenges that could have been addressed during the implementation. Unfortunately, the impact evaluation was not implemented and monitoring data was not used to improve the quality of the training. Due to the shortcomings during the implementation and subsequently use of monitoring data, the M&E section is rated as modest.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as an Environmental Category “C”. The project activities focused on technical assistance and institutional capacity. There were no physical interventions which triggered safeguard analysis at appraisal (PAD, para 64). The project did not trigger any safeguard while it was implemented (ICR, para. 1).

b. Fiduciary Compliance

The project experienced delays in launching its activities which impacted the overall project rating. The delays included budget delays, insufficient ownership, lack of clarity over the central role of service providers, and changes within the Ministry of Youth and Sports (MYS) and the Project Management Unit (PMU) (ICR, par 46).

The financial management rating of the project was downgraded to Moderately Unsatisfactory due to challenges experienced during project implementation. Key challenges included unclear definition of roles between the PMU and MYS, weak leadership of the National Consultative Committee, and turnover of PMU staff (ICR, para. 47). To address these weaknesses, the Bank worked with the implementing agency to put together an action plan and focused on reviewing the revised Operations Manual (MOP) during the MTR (ICR, para. 47). The Bank also worked with the PMU to ensure that it had adequate staff and support for financial management monitoring and compliance (ICR, para. 47).

The project was audited annually by the General Finances Inspection, Morocco’s independent audit authority (World Bank Interview, 2020). The auditor confirmed that the financial statements closed on December 31, 2018 are unqualified (World Bank Interview, 2020).

Disbursement: The project was granted two project-closing date extensions. The main cause of the delay in implementation of activities was due to challenges in budgeting the remaining resources. Only in July 2019, a month before the project would close, did the MYS submit the expenditure and action plan and receive the Bank’s no objection to implement part of the additional activities to be executed before the closing date (ICR, para. 48). The disbursement rate was 96.7% at the end of the grace period on December 31, 2019 (ICR, para. 48).

Procurement: A post procurement review conducted in 2015 raised key issues about the project’s procurement practices and system. Key challenges included lack of proper filing of procurement documents, splitting of contracts in order to proceed with shopping, the absence of deadlines in request for quotations sent to bidders, inconsistency in the designation of activities in the bidding documents and contracts (ICR, para. 49). An INT investigation uncovered fraudulent practices in three purchase orders for an amount of US$41,059 (ICR, para. 49). An action plan was prepared and implemented by the implementing agency. The funds were returned to the Bank.

c. Unintended impacts (Positive or Negative)

None

d. Other

None

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Modest	

12. Lessons

The following lessons were extracted from the ICR:

1. **Financial support is important to enable youth to establish their micro-enterprise.** For example, youth cited lack of financial funds as the primary reason that they did not launch a small business. Even though the project established partnerships with lending sources, the vast majority of youth used personal funds to start their business (ICR, para 56). Barriers to access also included cost of transportation, in particular for female youth (ICR, para. 38). The ICR reflected that future projects need to take into account the barriers that exist for youth to gain access to start-up capital.

2. **Results-based payment may help a project maintain expected deadlines, but excessive pressure to achieve results may result in quality being compromised.** For example, implementing partners rushed the recruitment process and did not vet participants to ensure that they had the competences necessary to become entrepreneurs (ICR, para. 56). This may have been because payments were made against the delivery of agreed

results. This system put pressure on NGOs to deliver according to agreed schedules and deliverables (ICR, para. 30).

3. **Monitoring systems need to be systematically designed to capture quality of program implementation, in addition to project outcomes.** For example, the monitoring system failed to capture important implementation weaknesses in the project activities, in particular the fact that (i) courses were taught in French as opposed to Arabic and (ii) courses were too academic. Similarly, the project could have benefited from a verification process to ensure that the implementing partners were applying consistent selection criteria when enrolling the beneficiaries (ICR, para. 32). A basic monitoring system can pick up these weaknesses and adjust in real-time to ensure quality program implementation.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICRR reflected on lessons learned related to implementation partner payments, training quality, and flaws in the project design. It was also upfront about the fiduciary challenges the project experienced. The ICR could have benefited from more detailed justification of its ratings, in particular the sections on Relevance and Efficacy. The information to validate the objective's achievement was scattered throughout the ICR. In fact, most of the data on the project's outcomes was in an annex, instead of in the report. Overall, the quality of this ICR is rated as Modest.

a. Quality of ICR Rating
Modest