

# PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC30109

<b>Project Name</b>	Identity and Targeting Systems for Social Protection Project (P155198)
<b>Region</b>	MIDDLE EAST AND NORTH AFRICA
<b>Country</b>	Morocco
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P155198
<b>Borrower(s)</b>	Kingdom of Morocco
<b>Implementing Agency</b>	Ministry of Interior
<b>Environmental Category</b>	C-Not Required
<b>Date PID Prepared/ Updated</b>	28-Oct-2016
<b>Date PID Approved/ Disclosed</b>	31-Oct-2016
<b>Estimated Date of Appraisal Completion</b>	27-May-2016
<b>Estimated Date of Board Approval</b>	05-Jan-2017
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

## I. Introduction and Context

### Country Context

NOTE: THIS CONCEPT PID WAS PREPARED ON SEPTEMBER 9, 2015 FOLLOWING THE CONCEPT REVIEW HELD ON AUGUST 13, 2015.

Reducing inequality and exclusion is a priority for the government of Morocco (GoM). Morocco recently improved its macroeconomic framework. Public finances further improved in 2015 owing to reduced recurrent expenditures and a substantial cut to the fuel subsidy envelope. The country's external position benefited from an improved current account deficit and consolidation of foreign reserves. Moreover, with an average economic growth rate of 4.5 percent during the last decade, poverty has been reduced significantly, from 15.3 percent in 2001 to 4.2 percent in 2014. During the same period, the well-being of the bottom 40 percent of the population grew slightly faster than average, suggesting an increase in shared prosperity. However, Morocco's Gini coefficient improved only slightly in the same period (0.38 in 2014 vs. 0.41 in 2001), reflecting important levels of inequality, notably between urban and rural areas and across different regions.

To continue reducing poverty and inequality, the GoM aims to build a more efficient, equitable, and

integrated system of social service delivery. Nearly 15.7 percent of the population (5.3 million Moroccans, of which two-thirds live in rural areas) live under constant threat of falling back into poverty due to lack of adequate social services in poorer regions and vulnerability to shocks (HCP 2015). The social and political implications of disparities in wealth and social outcomes continue to be of concern to the government. Improving social service delivery and ensuring higher efficiency of social spending constitute two important government priorities to promote equity and social inclusion in the context of the new constitution, adopted in 2011. Indeed, one of the five pillars of the 2012-2016 government national program goals was promoting social programs, guaranteeing equitable access to basic services, and strengthening solidarity and equal opportunities across citizens, generations, and regions.

### **Sectoral and Institutional Context**

Traditionally, social expenditures in Morocco have been largely allocated to energy and food subsidies, benefiting mainly the wealthiest households and supply chain networks. Morocco's system of energy and food subsidies, designed to safeguard the poor and vulnerable populations from price fluctuations of essential commodities, has traditionally favored the wealthiest households and the supply chain networks (World Bank 2012). At the same time, and despite important efforts undertaken by the GoM to reform the SSNs, social assistance programs remain limited in scope, fragmented, and poorly targeted.

Furthermore, the current system of delivery social safety nets (SSNs) remains largely fragmented. This translates into a burdensome and redundant administrative process that citizens have to cope with to benefit from existing programs.

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

As a result, in March 5, 2015, the GoM requested the Bank technical and financial assistance to develop (i) a universal identity program through the development of a National Population Register (NPR) with a UIN; (ii) an integrated and performing targeting system through the development of a Social Register (SR); and (iii) the institutional, legal, and operational frameworks necessary to assure the proper use and sustainability of these new systems. To accompany this request, and as testimony of strong technical and political ownership to the reform, the GoM decided to form, under the leadership of Ministry of Interior, a high level steering committee and two technical committees (one for the NPR and for the SR) to closely accompany the preparation of this project.

### **Relationship to CAS**

The proposed project is aligned with the World Bank's Country Partnership Strategy (CPS). The

importance of improving social service delivery in Morocco is highlighted in the Country Partnership Strategy 2014-17. The CPS indicates strong World Bank commitment to support the government's vision to promote access and effectiveness of social protection programs. This vision is framed within one of the main pillars in the government program (Pillar IV), related to promoting social programs guaranteeing equitable access to basic services and strengthening solidarity and equal opportunities across citizens, generations, and regions. Social solidarity, equity, and inclusion are all emphasized under this pillar, with a special focus on poor and vulnerable households. More specifically, CPS's strategic outcome 1.7 in Results Area 1 (promoting competitive and inclusive growth) aims to "improve access to and effectiveness of social protection programs". The proposed operation will also contribute to strategic outcome 3.2 "more transparent and accountable management of public resources", within the CPS's Results Area 3 (strengthening governance and institutions for improve service delivery).

The proposed operation is also linked to the recent World Bank's sector dialog in the areas of social protection, health, energy, and transport sectors and builds closely on the policy dialog recommendations resulting from the FY12-15 programmatic Social Protection Reform technical assistance program. Finally, this task was framed within "The World Bank 2012-2022 Social Protection and Labor Strategy," which advocates the development of integrated and efficient social service delivery systems to address poverty, inequality, and other social risks.

Finally, the proposed operation is also aligned with the new MENA Regional Strategy (under preparation) which orients its actions to promote peace and stability in the region. Particularly, improving the system of service delivery for Social Protection programs is consistent with the two pillars of the new strategy that seek to (i) renew the social contracts through strengthening performance and transparency of SSN programs; and (ii) increase the resilience through strengthening institutions as well as capacity for SSN delivery especially at the local level.

## **II. Proposed Development Objective(s)**

### **Proposed Development Objective(s) (From PCN)**

The project development objective (PDO) is to "Support the government of Morocco to develop the foundations of a more efficient, equitable, and integrated system of service delivery for social protection programs through (i) the establishment of National Population Register with a Unique Identifying Number and a Social Register, (ii) the modernization of the civil register, and (iii) strengthening the capacity of institutions and programs to use these new tools".

#### **Project Beneficiaries:**

There are different types of direct beneficiaries for the project. (i) Citizens and legal residents will benefit from a unique identification number that would simplify many administrative process in the country; (ii) Most disadvantaged segments of the population will have more access to identity registration and social protection programs; (iii) Program administrators will benefit from enhanced ability to monitor performance, identify potential beneficiaries for social programs, formulate coherent social policies, and foster coordination and information exchange with other sector ministries and social programs; and (v) The public administration will increase the efficiency and equity of social spending, while reducing targeting errors and fraud.

While the scope of the benefits of the project are beyond social protection services (they will

contribute to improve the delivery of any social service), this project will focus on improving the delivery of existing SSNs as the entry point for the implementation of such system.

### **Key Results (From PCN)**

The key performance indicators that will be used to track progress towards achieving the project development objective are:

1. Share of the population with a unique identifying number (UIN) that is digital and known to the citizen;
  - a. Share of the population 0-6 with a unique identifying number (UIN) that is digital and known to the citizen;
2. Number of individuals registered in the Social Register (SR)
  - a. Share of individuals with a UIN
  - b. Share of individuals who have migrated from sectorial/program registries;
3. Share of individuals registered in the SR as a share of the total population
  - a. Share of individuals in the SR in the bottom two consumption quantiles
4. Number of social programs and services that use the SR and the NPR
  - a. Social Programs that use the SR to identify their potential beneficiaries
  - b. Programs/services that use the NPR / NIU for citizen identity verification.
  - c. Number of ministries and agencies that exchange information in their databases through the use of the NIU

To achieve the envisioned PDO indicators a set of intermediary indicators will be developed as part of the project document and will be further elaborated and fine-tuned during preparation and reflected in the Project Appraisal document

## **III. Preliminary Description**

### **Concept Description**

The proposed project is expected to support, over a period of four to five years, (i) the development of a robust identity ecosystem and (ii) the development of a Social Registry (SR) to identify potential beneficiaries of social safety nets more coherently and equitably. At this stage the project is expected to follow normal IPF investment procedures. As the development of the identity ecosystem becomes a national government program with its own budgetary allocation, the team may consider some results-based financing to provide incentives to expedite its development. As such, during the preparation of the proposed operation, the team will further investigate the possibility of disbursing funds using a pre-defined set of Disbursement Linked Indicators (DLIs), notably for component 1. The total cost of the activities proposed is estimated at about US\$200 million. During the preparation mission, the team will find out the share of Government contribution and confirm the amount for Bank financing. To achieve the PDO, the project envisions 3 main components:

COMPONENT 1: Development of a robust identity ecosystem through (i) the development of a National Population Register (NPR) with a Unique Identifying Number (UIN) and (ii) the modernization of the Civil Register at birth.

This component will support the country to improve its identification ecosystem through the (a) development of the National Population Register (NPR) with a Unique Identifying Number (UIN), and (b) the modernization of the civil registry.

COMPONENT 2: Development of a Social Register (SR) to identify potential beneficiaries of social safety nets and to assure a more coherent and equitable targeting of social programs.

As part of the modernization of the social protection delivery system, Morocco aims to harmonize information and process for social programs in a social register (SR). International experience shows that such register can facilitate, on the one hand, the screening of potential beneficiaries of any social protection program and, on the other, the recording of the benefits received by households. This component envisions to provide technical and financial support to the government to implement the following set of activities: (i) establishment of a dedicated unit to manage the SR; (ii) development of a SR registration procedures; (iii) design and implementation of a national communication campaign; (iv) data collection / registration; (v) assessment of data quality; and (vi) building the capacity of users to use the SR and supporting transition.

COMPONENT 3: Project Management and Monitoring and Evaluation.

The component will finance the costs related to the operation of a Project Management Unit (PMU) within the Ministry of Interior to ensure that the Project is successfully and efficiently implemented in conformity with the Financing agreement, the Project Appraisal document and the Project Operations Manual (POM). The component would finance: technical consultants and staff salaries (non-civil servants) needed by the PMU for project implementation, equipment, operating cost for the PMU directly linked to the daily management of the project, and regular internal audits and annual external audits.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

#### V. Financing (in USD Million)

Total Project Cost:	100.00	Total Bank Financing:	100.00
Financing Gap:	0.00		

<b>Financing Source</b>	<b>Amount</b>
Borrower	0.00
International Bank for Reconstruction and Development	100.00
<b>Total</b>	<b>100.00</b>

## **VI. Contact point**

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