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Report No: PAD4358

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROGRAM APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF EURO 383.6 MILLION  
(US\$450 MILLION EQUIVALENT)

TO THE

KINGDOM OF MOROCCO

FOR AN

IMPROVING EARLY CHILDHOOD DEVELOPMENT OUTCOMES IN RURAL MOROCCO

PROGRAM-FOR-RESULTS

May 13, 2021

Middle East and North Africa Region  
Human Development Practice Group

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2021)

Currency Unit = Euro (EUR)

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US\$1 = 0.85226062 Euros

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FISCAL YEAR

January 1 - December 31

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### ABBREVIATIONS AND ACRONYMS

AFD	<i>Agence Française de Développement</i> (French Development Agency)
AfDB	African Development Bank
CBA	Cost-Benefit Analysis
CLDH	<i>Comité Local de Développement Humain</i> (Local Committees for Human Development)
CM	Community Mobilization
CoA	Court of Accounts
COFOG	Classification of the Functions of Government
CPDH	<i>Comité Provincial de Développement Humain</i> (Provincial Committee for Human Development)
CPF	Country Partnership Framework
CRDH	<i>Comité Régional de Développement Humain</i> (Regional Committee for Human Development)
CSMD	<i>Commission spéciale pour le modèle de développement</i> (Special Commission for the Development Model)
DAO	Dar Al Oumouma
DAS	<i>Division de l'Action Sociale</i> (Social Action Division)
DLI	Disbursement-Linked Indicators
DLR	Disbursement-Linked Results
EBF	Exclusive Breast Feeding
EBRD	European Bank for Reconstruction and Development
ECD	Early Childhood Development
ECE	Early Childhood Education
ECEC	Early Childhood Education and Care
EIB	European Investment Bank
EMIS	Education Management and Information System
ENPSF	<i>Enquête Nationale sur la Population et la Santé Familiale</i> (National Survey on Population and Family Health)
ESSA	Environmental and Social Systems Assessment
EU	European Union
FA	Family Allowance
FCC	Fiduciary Coordination Committee
FKPIs	Key Fiduciary Performance Indicators
FM	Financial Management
FMPS	<i>Fondation Marocaine pour la Promotion de l'Enseignement Préscolaire</i> (Moroccan Foundation for the Promotion of Preschool Education)
FSA	Fiduciary Systems Assessment
FZ	<i>Fondation Zakoura</i> (Zakoura Foundation)
GBPES	<i>Guide des Bonnes Pratiques Environnementales et Sociales</i> (Guide to Good Environmental and Social Practices)
GDP	Gross Domestic Product
GHG	Greenhouse gas



GID	<i>Gestion Intégrée de la Dépense</i> (Integrated Expenditure Management System)
GoM	Government of Morocco
GRM	Grievance Redress Mechanisms
GRS	Grievance Redress Service
HCI	Human Capital Index
HCP	<i>Haut-Commissariat au Plan</i> (High Commission for Planning)
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
IFSA	Integrated Fiduciary Systems Assessment
IGF	<i>Inspection Générale des Finances</i> (General Inspectorate of Finance)
IMAGES	International Men and Gender Equality Survey
INDH	<i>Initiative Nationale pour le Développement Humain</i> (National Initiative for Human Development)
INE	<i>Instance Nationale d'Évaluation</i> (National Institution for Evaluation)
IPC	Impact of enhanced interpersonal counseling
IPF	Investment Project Financing
IRR	Internal Rate of Return
IVA	Independent Verification Agency
IYCF	Infant and young child feeding interventions
KfW	<i>Kreditanstalt fuer Wiederaufbau</i> (Credit Institute for Reconstruction)
M&E	Monitoring and evaluation
MAD	Moroccan Dirham
MEFAR	Ministry of Economics, Finance and Administrative Reform ( <i>Ministère de l'Économie, des Finances et de la Réforme Administrative – MEFRA</i> )
MENA	Middle East and North Africa
MI	<i>Ministère de l'Intérieur</i> (Ministry of Interior)
MIS	Management Information System
MM	Mass Media
MoE	Ministry of National Education, Vocational Training, Higher Education and Scientific Research ( <i>Ministère de l'Éducation Nationale, de la Formation Professionnelle, de l'Enseignement Supérieur et de la Recherche Scientifique</i> )
MoH	Ministry of Health ( <i>Ministère de la Santé- MS</i> )
MoY	Ministry of Youth ( <i>Ministère de la Jeunesse et du Sport – MJDS</i> )
NCPP	National Commission for Public Procurement ( <i>Commission Nationale des Marchés Publics – CNMP</i> )
NGO	Non-governmental Organization
OCB	Open Competitive Bidding
OCI	Organizational conflicts of interest
OLFL	Organic Law relating to the Finance Laws ( <i>Loi organique relative aux lois de finances – LOLF</i> )
ONDE	<i>Observatoire National des Droits de l'Enfant</i> (National Observatory for Children's Rights)
ONDH	<i>Observatoire National du Développement Humain</i> (National Observatory for Human Development)
OPRC	Operations Procurement Review Committee



PAP	Program Action Plan
PDO	Project Development Objective
PEF	Program Expenditure Framework
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PforR	Program-for-Results
PMC	Program Monitoring Committee
PMMP	<i>Portail Marocain des Marchés Publics</i> (Moroccan Public Procurement Portal)
POM	Program Operational Manual ( <i>Manuel des opérations du Programme – MOP</i> )
PU	Preschool Unit ( <i>Unité Préscolaire – UP</i> )
RAMED	<i>Régime d'Assistance Médicale</i> (Medical Assistance Plan)



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Morocco	Improving Early Childhood Development outcomes in rural Morocco	
Project ID	Financing Instrument	Does this operation have an IPF component?
P173073	Program-for-Results Financing	No

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Small State(s)	<input type="checkbox"/> Conflict
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)	
Expected Project Approval Date	Expected Closing Date
04-Jun-2021	31-Dec-2024

Bank/IFC Collaboration

No

Proposed Program Development Objective(s)

Improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services.

Organizations

Borrower : Kingdom of Morocco

Implementing Agency : National Initiative for Human Development

Contact: Mohammed Dardouri

Title: INDH National Coordinator



Telephone No: 00212537215577  
 Email: mdardouri@interieur.gov.ma

**COST & FINANCING****SUMMARY**

<b>Government program Cost</b>	600.00
<b>Total Operation Cost</b>	520.00
Total Program Cost	518.87
Other Costs	1.13
<b>Total Financing</b>	520.00
<b>Financing Gap</b>	0.00

**Financing (USD Millions)**

<b>Counterpart Funding</b>	<b>70.00</b>
Borrower/Recipient	70.00
<b>International Bank for Reconstruction and Development (IBRD)</b>	<b>450.00</b>

**Expected Disbursements (USD Millions)**

Fiscal Year	2021	2022	2023	2024	2025
<b>Absolute</b>	113.63	95.00	58.88	113.62	68.88
<b>Cumulative</b>	113.63	208.63	267.50	381.12	450.00

**INSTITUTIONAL DATA****Practice Area (Lead)**

Education

**Contributing Practice Areas**

Health, Nutrition &amp; Population, Social Protection &amp; Jobs

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**



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

**COMPLIANCE**

**Policy**

Does the program depart from the CPF in content or in other significant respects?

Yes  No

Does the program require any waivers of Bank policies?

Yes  No

**Legal Operational Policies**

	Triggered
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

**Legal Covenants**

Sections and Description

Schedule 2, Section I.A.2(b): three (3) months after the Effective Date, or such later date as agreed with the Bank, establish, and thereafter maintain during the implementation of the Program, a "Program Monitoring Committee".

Sections and Description

Schedule 2, Section I.B.1(a): no later than three (3) months after the Effective Date, or such later date as agreed by



the Bank, prepare a Program Operational Manual under terms and conditions acceptable to the Bank

**Sections and Description**

Schedule 2, Section I.B.3: furnish to the Bank not later than sixty (60) days after the verification of compliance of DLRs, a report on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request

**Conditions**

Type	Financing source	Description
Disbursement	IBRD/IDA	Schedule 2, Section IV.B.1(b): for any DLR under Category (1), (2), (3), (4), (5) or (6), until and unless the Borrower has furnished evidence satisfactory to the Bank that said DLR has been achieved.
Disbursement	IBRD/IDA	Schedule 2, Section IV.B.2: the Borrower may withdraw an amount not to exceed Euro 95,900,000 as an advance; provided, however, that if the DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.
Disbursement	IBRD/IDA	Schedule 2, Section IV.B.3: Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under Category (1), (2), (3), (4), (5) or (6) has not been achieved, the Bank may, by notice to the Borrower: (a) reallocate all or a portion of the proceeds of the Loan then allocated to said DLR to any other DLR ; and/or (b) cancel all or a portion of the proceeds of the Loan then allocated to said DLR.



## I. STRATEGIC CONTEXT

1. **The proposed Improving Early Childhood Development (ECD) Outcomes in Rural Morocco Program-for-Results (PforR), in the amount of Euro 383.6 million (US\$450 million equivalent), aims to improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services.** The Program will incentivize key results to support the efficient implementation of Phase 3 of Morocco's National Human Development Initiative (INDH) which is focused on addressing inequalities through actions to increase access and quality of services in rural areas. Building on international evidence, INDH-3 has a sharp focus on evidence-based approaches to improve early childhood development, with a backbone of strong inter-sectoral coordination and monitoring. The INDH is an important policy and programming mechanism to enable Morocco to move towards a trajectory of faster growth and improved opportunities for all. Achieving stronger human capital outcomes will be key to this path because human capital in Morocco currently contributes only 41 percent to wealth per capita, a level substantially lower than in countries with a similar level of development. The proposed Program will contribute to improving Morocco's Human Capital Index (HCI) which, at its current level of 0.5, reflects the fact that Moroccans born today will only reach fifty percent of their productivity potential. The proposed Program has two results areas. Results Area 1 focuses on improved access to quality ECD services in rural areas, specifically providing young children and their families with access to a holistic set of services, encompassing education, health and nutrition, to foster their development. Results Area 2 focuses on the institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD services. It recognizes the important shift in methods and approach in the implementation of INDH3 that is putting significant emphasis on monitoring and evaluation, as well as on coordination and integration at the local and central levels. The Program's focus on the holistic development of young children as a pathway towards human capital formation--makes it one of the first PforRs financed by the Bank centering entirely on ECD, and the first of its kind in the Middle East and North Africa (MENA) region.

### A. Country Context

2. **After two decades of rapid progress in reducing poverty, Morocco is at a crossroad in its development path.** Morocco has made significant social and economic progress large public investments as well as institutional and sector reforms since 2000. Accelerated economic growth led to the eradication of extreme poverty, a sharp decline in the national poverty rate, increased life expectancy, greater access to basic public services, and significant public infrastructure development. Despite these achievements, heightened aspirations by Moroccans, especially youth, remain unmet. Economic growth has slowed in recent years, job creation remains insufficient resulting in a large inactive population, and the labor force participation rate is low. Pockets of poverty remain across the country and territorial disparities reflect deep social and economic inequalities. Despite dramatic progress, Morocco's development risks slowing down, unless it can overcome structural impediments to growth and boost job creation through private-sector-led growth and accelerate productivity and competitiveness gains.
3. **The new development model under preparation will lay out a way forward in addressing persisting challenges to sustainable growth and is anticipated to focus heavily on boosting human capital.** King Mohammed VI, in his Throne Speech on July 28, 2019, called for the development of a new and inclusive development model (New Model for Development). He appointed a special committee (Commission



Spéciale sur le Modèle de Développement - CSMD) consisting of experts drawn from different backgrounds and charged with outlining a vision for a new development model, using a participative and inclusive approach. The New Model for Development is anticipated to place improvements in human capital front and center of Morocco's development paradigm. Such focus is already apparent in major reform announcements, such as the overhaul of the social protection system by 2024, including the rolling out of a universal health insurance and the expansion of family allowances to all Moroccan households with children.

4. **Morocco is facing significant human, social, and economic impacts of the COVID-19 pandemic.** As of May 5, 2021, 512,285 confirmed cases of COVID-19 and 9,038 deaths have been reported. The crisis has had severe effects on the Kingdom's economy and public finances. Real gross domestic product (GDP) is to have contracted by 7.1 percent in 2020, down from the projected 3.6 percent growth before the pandemic. The crisis is also increasing the fiscal deficit, because of the decline in tax revenues and the sharp rise in spending on healthcare, social safety nets, and support to firms as part of emergency measures. Public and external gross financing needs have reached 17.4 percent and 4.6 percent of GDP, respectively, in 2020, against pre-COVID-19 projections of 11.7 percent and 5.8 percent, respectively. The abrupt slowdown in economic activity is severely affecting jobs and household income. The Moroccan economy is estimated to have lost almost 432,000 jobs in 2020 (against a net creation of 165,000 jobs the year before). Surveys conducted by the Haut Commissariat au Plan (HCP) and the National Agency for Statistics indicate that about two-thirds of workers had to stop their activity during confinement and that 62 percent experienced an income loss during that period. Poverty and vulnerability rates are expected to spike in 2021 ending the uninterrupted improvement in social indicators achieved by Morocco since the turn of the century.
  
5. **The Government of Morocco (GoM) has deployed a broad range of sanitary and economic measures to contain the spread of the COVID-19 virus and mitigate its socioeconomic impacts.** Between March and June 2020, it enforced a strict four-month lockdown, during which all nonessential businesses, schools, mosques, and public venues were closed. Morocco also closed its borders (except for the transport of goods). During the summer, restrictions were gradually loosened at the national level, although some localities imposed controls on mobility and partial lockdowns. To monitor the economic situation and design and coordinate emergency actions, on March 11, 2020, the GoM created a COVID-19 Watch Committee, composed of several ministers and their technical staff, as well as representatives of the Central Bank, and bankers and business' associations. On March 16, 2020, the GoM launched a COVID-19 Pandemic Fund to: (a) support the incomes of formal sector workers' and informal workers' households via a large cash-transfer operation; (b) pay for medical expenditures; and (c) support economic recovery. Early on, Morocco also took measures to inject liquidity into the economy, support firms' cash positions, and keep credit flowing, to avoid a wave of corporate bankruptcies. On July 29, 2020, the King Mohammed VI unveiled a US\$12 billion recovery plan (equivalent to 11 percent of the country's GDP). During the Fall of 2020, Morocco signed pre-order contracts for vaccines with several international pharmaceutical firms. The country launched its vaccination campaign on January 28, 2021 and has been deploying the vaccine in a transparent and highly efficient manner. As of May 5, 2021, Morocco has administered 9.5 million doses of COVID-19 vaccines such that 14.1 percent of the population have received at least one dose and 11.8 percent were fully vaccinated (2 doses).<sup>1</sup>

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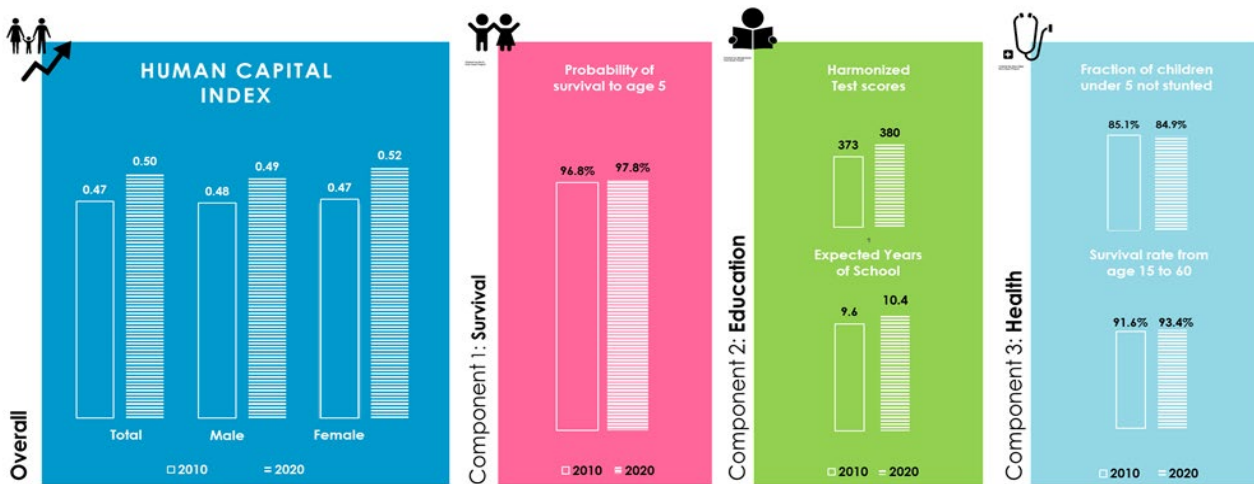
<sup>1</sup> OurWorldInData.org/coronavirus



B. Sectoral (or Multisectoral) and Institutional Context

6. For Morocco to move towards a trajectory of faster growth and improved opportunities for all, achieving stronger human capital outcomes will be key. Human capital in Morocco contributes 41 percent to wealth per capita, a level substantially lower than in countries with a similar level of development.2 Indeed, weak human capital outcomes are hindering productivity— with a Human Capital Index (HCI)3 of 0.5, Moroccans born today will only reach fifty percent of their productivity potential (HCI for girls and boys are 0.52 and 0.49, respectively). In particular, weak learning outcomes are the key factor that drags Morocco’s HCI down4: factoring in what children actually learn, expected years of school is only 6.3 years and the learning poverty indicator shows that 66 percent of 10-year-olds cannot read or understand a simple text by the end of primary school.5 For most women and youth, weaknesses in human capital formation are compounded by the existing limitations on returns to human capital in the labor market. Youth unemployment is high, averaging 22 percent for men and 27 percent for women, and while women tend to score better on the HCI, their economic participation remains severely constrained.6 Morocco’s future social and economic trajectory is therefore conditioned by its ability to accelerate progress in human capital accumulation and distribution.

Figure 1: Human Capital Index (2020) and Components



Source of data: Human Capital Index, 2020

7. Achieving stronger human capital outcomes requires overcoming various constraints faced by children in reaching their full development, especially in rural areas. Over the past decades, Morocco has put in place essential programs to deliver critical services to families with young children. This has

2 Lange, Glenn-Marie; Wodon, Quentin; Carey, Kevin. 2018. The Changing Wealth of Nations 2018: Building a Sustainable Future. Washington, DC: World Bank.

3 The Human Capital Index measures the amount of human capital that a child born today can expect to achieve by age 18, and reflects information from five education and health indicators: probability of survival to age five, expected years of schooling, harmonized test scores as a measure of quality of learning, adult survival rate, and proportion of children who are not stunted.

4 All HCI data represent the status before COVID-19

5 World Bank. 2019. Ending Learning Poverty: What Will It Take?. World Bank, Washington, DC. © World Bank.

6 The female labor force participation (as a percentage of total labor force participation) is 21 percent in Morocco. Source: The World Bank, World Development Indicators (2018). Labor Force Participation Rate (percentage of female population ages 15-64). Retrieved from https://data.worldbank.org/indicator/SL.TLF.ACTI.FE.ZS



resulted in dramatic progress in some key enablers of human development outcomes, including a rapid expansion of basic education and health services. It also led to significant advances in deploying basic infrastructure that contributes to improving human capital outcomes, such as access to water, electricity, and road infrastructure. While coverage has improved, there remain significant weaknesses in terms of quality of delivery and access by certain groups to many of these services. The maternal mortality ratio in rural areas is more than two times higher than in urban areas (111 versus 45 deaths per 100,000 live births) and the under-5 child mortality is 37 percent higher in rural areas compared to urban areas (26 versus 19 deaths per 1,000 live births).<sup>7</sup> These inequities in maternal and child health outcomes reflect inequities in access to and in quality of healthcare services.<sup>8</sup>

Figure 2: Snapshot of key Early Childhood Development indicators in Morocco

	Health	Nutrition	Learning
Gestation and birth	<ul style="list-style-type: none"> <li>79.2 percent of pregnant women in urban areas received prenatal care (by a qualified professional) during the first 3 months of pregnancy vs 50.7 percent of pregnant women in rural areas</li> <li>69% of pregnant women in urban areas vs 48.6 percent of pregnant women in rural areas had 4+ prenatal care visits</li> <li>Maternal mortality ratio: 45 per 100,000 live births in urban areas vs 111 per 100,000 live births in rural areas</li> <li>4 percent of women in urban areas do not benefit from a skilled delivery in a health center vs 26 percent in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>81.6 percent of women in urban areas took an iron supplement during pregnancy vs 63.3 percent in rural areas</li> <li>Prevalence of anemia among pregnant women is 40 percent</li> <li>Prevalence of anemia among women of reproductive age (15-49 years) is 37 percent</li> </ul>	
Early Childhood	<ul style="list-style-type: none"> <li>Infant mortality rate: 15 per 1,000 live births in urban areas vs 22 per 1,000 live births in rural areas</li> <li>Mortality rate of children under 5: 19 per 1,000 live births in urban areas vs 26 per 1000 live births in rural areas</li> <li>Immunization coverage for measles and DPT is 99 percent of children ages 12-23 months</li> </ul>	<ul style="list-style-type: none"> <li>97 percent of children were breastfed but only 35 percent were exclusively breastfed during the first 6 months</li> <li>44 percent of children in urban areas were breastfed in the hour following birth vs 55 percent in rural areas</li> <li>Prevalence of anemia among children under 5 is 34 percent</li> <li>10.4 percent of children under 5 in urban areas are stunted vs 20.5 percent in rural areas, with some regions reaching 30 percent</li> </ul>	<ul style="list-style-type: none"> <li>28.7 percent of surveyed households in rural areas declared to engage with children under 5 in activities promoting learning and school readiness, such as reading, singing, playing or strolling</li> <li>Only 13 percent of parents reported often engaging their children in early literacy and numeracy activities at home</li> <li>Pre-primary enrollment rate of children age 4 and 5 is 78.7 percent in urban areas vs 61.8 in rural areas</li> <li>In rural areas, enrolment is 41.1 percent in public vs 6.2 percent in private vs 52.6 percent in traditional preschool units</li> </ul>

<sup>7</sup> Ministry of Health (2019). National Survey on Population and Family Health (ENPSF 2018)

<sup>8</sup> For instance, while 96 percent of women in urban areas give birth in a health facility, the proportion is only 73.4 percent in rural areas. Regarding access to pre-primary education, there is a 17-percentage point difference between rural and urban areas in the enrollment rate of children ages 4 and 5 (61.8 vs. 78.7 percent). Access is even more limited for young girls (pre-primary enrollment rate is 54.5 percent for rural girls age 4 and 5 versus 68.8 percent for rural boys).



- In 2006, 43.3 percent of households consumed iodized salt. A 2015 household survey showed that only 25 percent of households use iodized salt
- Preschool teachers lacking pre- and in-service training, and with precarious working conditions
- 66 percent of children are not proficient in reading by age 10

Source of data: Ministry of Health (2019), National Survey on Population and Family Health (ENPSF 2018); The World Bank (2016) World Development Indicators; UNICEF (2020), dataset on Immunization coverage by antigen; Zahidi, A., Zahidi, M., & Taoufik, J. (2016); World Bank (2019) *Ending Learning Poverty: What Will It Take?*; High Commission for Planning (2020), *Les indicateurs sociaux du Maroc 2019*; TIMSS 2019

8. **Rural families with young children face specific barriers in accessing and using services, including limited supply of health and education services.** In 2019, 37.1 percent of Morocco’s population lived in rural areas (HCP 2020)<sup>9</sup>, which remain disadvantaged in terms of access to basic infrastructure such as running water, improved sanitation, electrification, road connectivity and broadband penetration. This makes accessing health and education services challenging and explains some of the persistent inequalities in early childhood development outcomes. For instance, among childbirths occurring outside of a health facility, 28.4 percent are due to lack of accessibility.<sup>10</sup> Lower pre-primary enrollment rates in rural areas are also directly related to supply issues given the low density and dispersion of the population which make service delivery highly challenging both logistically and financially. Moreover, rural populations are disproportionately affected by effects of climate change, in particular because they lack access to some of the basic services or adequate infrastructure mentioned above. Women in rural areas are likely to struggle to find time for breastfeeding and other early childcare, such as stimulation and play, because they need to spend more time getting water, caring for other children, and working on degraded lands to produce basic food. Healthcare facilities and pre-schools with poor infrastructure conditions are more vulnerable to natural disasters, lack of access to potable water, ventilation and food service facilities. Insufficiently cooled or ventilated spaces can increase the risk of strokes, reduce appetite and decrease cognitive performance<sup>11</sup>, negatively impacting the well-being of pregnant women and small children. Similarly, reduced or excessive precipitation is likely to impact crop yields, and with a large portion of Morocco’s rural population being smallholder farmers, their livelihood could be threatened, and food insecurity may increase.<sup>12</sup> Expanding health and education services in a sustainable and climate-friendly manner in rural areas, therefore remains challenging and requires innovative approaches.
9. **Further improvements in ECD outcomes are also hampered by demand-side constraints.** Increasing supply of quality ECD services is necessary, but not sufficient when families keep suboptimal practices in health, nutrition and early stimulation and education. The lower education levels of women in rural areas and social norms that hinder certain behaviors can also limit demand for health and education services and make behavior change more challenging. For example, many rural women continue giving birth at home despite the existence of a nearby birth center because of lack of information, prohibitively expensive means of transportation or lack of trust, social barriers, and preference for traditional methods. This is even more prevalent among poor and vulnerable families who also face significant financial constraints. Various interventions can be leveraged to stimulate the demand and influence behaviors, such as behavior change communication campaigns and Conditional Cash Transfers (CCT),

<sup>9</sup> High Commission for Planning (HCP). *Les indicateurs sociaux du Maroc 2019*, Edition 2020

<sup>10</sup> Ministry of Health (2019). National Survey on Population and Family Health (ENPSF 2018)

<sup>11</sup> Zivin, J.G., Hsiang, S. M., & Neidell, M. “Temperature and Human Capital in the Short and Long Run.” *Journal of the Association of Environmental and Resource Economists*. 5 (1). <https://doi.org/10.1086/694177>

<sup>12</sup> Section E and annex 3 further elaborate on the links between climate change impact on ECD outcomes and proposed mitigation and adaptation measures supported through the Program.



which contribute to releasing financial constraints, provide incentives to use ECD services and are generally associated with communication and awareness measures. Despite the existence of various social assistance programs, there is currently no specific safety net programs addressing significant life-cycle risks, especially for vulnerable families with young children. The recently announced rollout of mandatory medical insurance for all,<sup>13</sup> and the expansion of family allowances to all households would produce powerful synergies with an improved supply of services.

10. **Ensuring the quality of services in a fragmented context with various norms and standards is a key challenge.** Provision of some key ECD services has grown relatively organically, with limited oversight and coordination until recently. As such, the current ECD landscape is fragmented and is missing critical features that would support the delivery of high-quality ECD services.
  - Existing preschool education services are delivered by multiple providers under different supervision entities.<sup>14</sup> They apply various pedagogical models, follow different and sometimes conflicting principles, and unequal standards of quality, including on the required competencies of Early Childhood Education (ECE) teachers. After the *Loi Cadre* No. 51-17—which was adopted in 2019 and concerned the education, training and scientific research system—confirmed its leadership over the preschool curriculum framework, the Ministry of National Education, Vocational Training, Higher Education and Scientific Research (MoE) started developing a new curriculum framework, as well as quality standards for preschools in order to harmonize approaches and raise quality uniformly. These tools are yet to be fully disseminated or implemented, including by traditional preschool operators.
  - There is no systematic community health mechanism to facilitate behavior change and encourage use of the primary healthcare centers. While good progress has been achieved in reducing stunting, more comprehensive nutrition interventions are needed to address the remaining stunting in rural areas, as well as key micronutrient deficiencies, such as anemia and iodine deficiencies both of which have serious impact on cognitive development. This gap creates missed opportunities for preventive and primary care, which generates unnecessary costs in the long term. There are regional disparities in the distribution of public healthcare personnel as well as private healthcare providers. While the public sector continues to provide the bulk of healthcare services, the private sector is expanding rapidly, with little regulation and data related to its activities. The lack of an integrated, reliable and accessible health information system makes it difficult for the Ministry of Health (MoH) to address these problems and to improve quality and accountability amongst healthcare actors.
11. **Moreover, efforts to improve ECD outcomes in Morocco have been constrained by the lack of institutional coordination mechanisms, making it difficult to align interventions and create synergies.** Although ECD has gradually become a national priority for the GoM, the absence of a multisectoral strategy and of a coordinating body that would govern the provision of integrated services for the early childhood years complicate coordination and integration. Different institutions are involved in the

<sup>13</sup> 53.6 percent of children age 0-5 do not benefit from medical insurance coverage (SITAN 2019).

<sup>14</sup> According to a 2014 diagnostic study by UNICEF and the department of curriculum, there are 5 main types of ECE establishments in Morocco which may fall under the authority of MOE or other ministries: 1) traditional koranic centers, which focus on memorization of the koran and basic principles of the Arabic language; 2) koranic preschool (upgraded koranic centers that integrate relatively more modern preschool practices); 3) kindergartens that follow the French model; 4) preschool classrooms attached to public primary schools (specialized spaces within primary schools); and 5) private modern preschools.



promotion of ECD with sometimes overlapping responsibilities.<sup>15</sup> Roles and responsibilities of different actors and agencies are not clearly defined, multiple service providers still follow a sectoral approach, and mechanisms for collaboration and communication are underdeveloped. As a result, convergence of ECD interventions in rural areas and in households with pregnant mothers and young children is low.

12. **Limited data systems for monitoring and evaluating ECD interventions hinders the assessment of progress and impact.** The absence of integrated mechanisms to monitor investment in ECD and involvement of stakeholders at various deconcentrated and decentralized levels undermines the ability to gather timely and relevant data. This seriously impedes the effectiveness of public policies, as well as accountability and transparency. For instance, the national survey on population and family health covers important indicators for pregnant mothers and young children, but it is conducted infrequently (2003; 2011; 2018). Existing monitoring systems could be significantly strengthened to generate relevant data on the quality of services or to measure impact of policies and interventions on child development. In addition, existing data on ECD could be more readily available to the local and district level to inform decision making.
13. **Finally, the COVID-19 pandemic has brought additional challenges.** The sanitary lockdown has impeded access to healthcare, including key services for families with young children, such as vaccination (reduction in utilization by 36 percent of households with children needing immunization), prenatal and postnatal visits (decline by 30 percent of households with eligible women), and reproductive health services (decline by 34 percent of concerned households).<sup>16</sup> Children who were attending school have lost learning opportunities during the school shutdown. Despite proactive measures by the MoE, distance education is exacerbating inequity as 75 percent of children do not have high-speed internet which is often necessary for following online courses effectively. Very few manage to benefit from online education on a regular basis (48 percent of households at the primary level, 51 percent at the lower-secondary level and 69 percent at the upper secondary level).<sup>17</sup> At the pre-primary level, 84 percent of enrolled children did not benefit from the continuity of services.<sup>18</sup> Finally, social distancing is especially harmful for children who need social, child-child and adult-child interactions to develop fully.
14. **Such shortcomings require swift and effective intervention to mitigate current and prevent future human capital losses.** To prepare the workforce of tomorrow, Morocco needs to start early to capitalize on the potential of the early years. Investments in early childhood are more efficient when they start as early as possible. From a life cycle approach, this means starting with adolescent girls and boys to ensure they are well prepared physically and emotionally for pregnancy and parenting later in adult life.

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<sup>15</sup> The different institutions involved in the design of policies and the delivery of ECD services include the MoE, the MoH, INDH, the Ministry of Religious Endowments and Islamic Affairs, the Ministry of Social Development, the Ministry of Youth and Sports, National Mutual Aid (Entraide Nationale) and the Social Development Agency (ADS). Institutions such as Observatoire National du Développement Humain (ONDH), Observatoire National des Droits de l'Enfant (ONDE) and L'Instance Nationale d'Evaluation (INE) auprès du Conseil Supérieur de l'Education, de la Formation et de la Recherche Scientifique (CSEFRS) are involved in the evaluation of public policies implementation. In addition, a range of non-governmental actors are also involved in the delivery of ECD services, either as third party-providers contracted by the government, or as independent actors. They include national foundations and local associations with various religious, social and civic goals. While most of the financing is channeled through line ministries, local government authorities such as Regional councils and municipalities also have the capacity to mobilize some funding from their own budget or from partnerships with the private sector to support the delivery of ECD services.

<sup>16</sup> HCP 2020 (a). *Enquête sur l'impact du coronavirus sur la situation économique, sociale et psychologique des ménages*. The majority of households surveyed (51 to 64 percent) mentioned the risk of contamination to COVID-19 as a reason for renouncing to using those services.

<sup>17</sup> HCP 2020 (a), see above.

<sup>18</sup> HCP 2020 (b) *Rapports sociaux dans le contexte de la pandémie COVID-19*.



Positive development during early childhood will have spill-over effects during the second most critical window of opportunity that is adolescence, a phase of rapid growth and a time of transition towards adulthood involving physical, neurodevelopmental, psychological, social and vocational changes. Not only do continued investments throughout the life cycle build on the fundamentals established during the early years, but cross-cutting investments in health and nutrition, security, child and adolescent protection, early stimulation and learning reinforce one another for greater impact.

### C. Relationship to the CPF and Rationale for Use of Instrument

15. **The proposed Program is closely aligned with the Country Partnership Framework (CPF) 2019-2024, (Report No. 131039-MA)** discussed by the Executive Directors on February 19, 2019. The World Bank Group engagement in Morocco has been adjusted to respond to the COVID-19 pandemic by supporting the country in its focus on Relief, Restructuring, and Resilient Recovery. The overall objective of the CPF is to support Morocco in promoting social cohesion by improving the conditions for job creation and reducing social and territorial disparities. Building on the GoM program, the CPF pursues three focus areas: (a) Promoting Job Creation by the Private Sector; (b) Transforming and Protecting Human Capital; and (c) Promoting Inclusive and Resilient Territorial Development. Additionally, in line with the findings of the Systematic Country Diagnostic (World Bank, 2018)<sup>19</sup>, Governance and Citizen Engagement form a foundation of the CPF.
16. **The proposed Program is aligned with the World Bank Group (WBG) twin goals of ending extreme poverty and promoting shared prosperity in a sustainable manner.** The Program will contribute to alleviating the impacts of the COVID-19 pandemic and is aligned with the World Bank Group's COVID-19 Crisis Response Approach Paper's Pillar 2 "Protecting Poor and Vulnerable People", Pillar 3 "Ensuring Sustainable Business Growth and Job Creation", and Pillar 4 "Strengthening Policies, Institutions and Investments for Rebuilding Better". The Program also directly contributes to the implementation of the WBG MENA enlarged strategy focus on building human capital and is also aligned with the WBG Gender Strategy (FY16-23) by contributing to increase women's access to health services and improve/expand ECD services.
17. **The proposed Program stems from an upstream engagement during the conceptualization and early implementation of the third phase of the National Initiative for Human Development.** INDH3 was launched in September 19, 2018, following on two earlier phases implemented between 2005 and 2018 and during which the Bank was already providing support.<sup>20</sup> Based on the evaluation of the first two phases, and building on international experience and evidence, INDH3 has re-centered its focus towards key elements that affect human capital, and now includes a window entirely focused on children and adolescents (INDH3-P4). Since 2018, the Bank has contributed to the conceptualization of INDH3-P4 through extensive policy dialogue and technical assistance<sup>21</sup>, including through a high-level seminar on human development organized on March 23, 2018 with key members of GoM and the Bank, and technical support in the organization of Morocco's first national ECD forum on September 18-19, 2019, which was instrumental in building the momentum to invest in the early years. Furthermore, the Bank supported the elaboration of a theory of change for INDH3-P4, which helped define the scope of

<sup>19</sup> World Bank. 2018. Morocco - Systematic Country Diagnostic (English). Washington, D.C.: World Bank Group.

<sup>20</sup> National Initiative for Human Development Support Project (INDH) (P100026); The National Initiative for Human Development (INDH2) (P116201)

<sup>21</sup> Support to the Formulation of INDH3: Preparing Future Generations (P170257)



activities and interventions, and identify clear results expected from their implementation. This upstream engagement forms the basis for the proposed Program.

18. **The Bank supports the client’s request for the use of the Program-for-Results instrument, which closely fits with the Program’s focus.** Based on the following considerations, the PforR instrument is considered an appropriate lending instrument to support the INDH program.

- **Supporting the implementation of an integrated government Program while fostering consensus and alignment among stakeholders.** Due to the multisectoral nature of the INDH3 program, a range of stakeholders are involved either in the oversight, or implementation of interventions. This is particularly the case for the fourth pillar of INDH3, whose success relies on the involvement of several sectoral ministries (finance, education, health) as well as a range of public and private stakeholders, (including Observatoire National du Developpement Humain (-ONDH) and Civil Society Organizations (CSO)). The PforR instrument is particularly suitable for supporting large, national programs in which alignment across different actors, such as different sector ministries, regional and provincial authorities, is essential. Disbursement-linked indicators (DLIs) can have a positive influence to rally around specific results where multisectoral coordination and convergence of synergies among different sectoral interventions are needed.
- **Focus on results and institutionalization of measurement:** INDH3-P4 was built around a solid theory of change, which identified specific actions, outputs and outcomes along the results chain. Attention to results – defined as intermediary outcomes in improving ECD outcomes – has been a priority of INDH3-P4 since its inception in 2018. In particular, the program aimed to focus its attention to the impact of INDH interventions on ECD rather than on the implementation of these interventions. The use of the PforR instrument appears adequate in such a context and will contribute to further strengthen the focus on key results, with an adequate balance between incentivizing outputs and intermediary outcomes that matter for enhancing ECD outcomes. The use of the PforR instrument is also an opportunity to further support the emerging culture of measurement spearheaded by INDH, and to position the regular collection and use of meaningful data as a powerful driver to enhance the efficiency and effectiveness of interventions. The program includes the rolling out of an ambitious monitoring and evaluation strategy, which will serve both as an effective tool to obtain feedback on program implementation, but also to collect early information on the program’s impact. The development of innovative tools such as classrooms observations or measurement of cognitive and non-cognitive skills is indicative of an important shift in mindset that places the focus on results and impact. The use of the PforR instrument is well suited to contribute to strengthening and institutionalizing these practices and ensuring a sustainable shift towards stronger results orientation in INDH interventions.
- **Strengthening capacity including through the use of country systems and procedures.** The PforR instrument enables the GoM to use its own systems with the purpose of reducing transaction costs, while at the same time leveraging and strengthening management of public financial, social and environmental and procurement systems. In that sense, the PforR instrument supports and aligns with the use of multi-year program-based budgeting now being streamlined across most governmental entities. This choice of instrument builds upon the positive experience the GoM has already gained in successfully using results-based financing to implement key reforms in several sectors including agriculture, education, health, transport, and urban development.<sup>22</sup>

<sup>22</sup> The National Initiative for Human Development (INDH2) (P116201), the Program for Improving Primary Health in Rural Areas (P148017), the Education Support Program (P167619), the Urban Transport Project (P149653), the Strengthening Agri-Food Value Chains Program (P158346), the Casablanca Municipal Support Program (P149995), and the Integrated Disaster Risk Management and Resilience Program (P144539).



## II. PROGRAM DESCRIPTION

### A. Government Program

19. **The Government of Morocco is rolling out an ambitious set of policy interventions aimed at improving ECD outcomes.** This includes the launch of a national program for universalization of preschool in July 2018, which aims to provide access to preschool for an additional 700,000 children by 2027. This universalization is accompanied by substantial efforts to increase the quality of early childhood education, through the training of 28,000 new educators and 27,000 in-service educators currently working in preschools. Furthermore, the MoH is implementing an ambitious health reform program, Plan Santé 2025, aimed at improving access to health services particularly through strengthening primary health systems in rural areas, strengthening disease control programs, and improving governance and resource allocation. Along with the rollout of the medical insurance plan for the most disadvantaged populations (*Régime d'Assistance Médicale*, RAMED), the government has engaged in several actions to increase equitable access to primary care and improve the service delivery in healthcare facilities in both urban and rural areas, as well as rolling out specific plans to reduce maternal mortality and improve coverage for non-communicable disease (NCD) interventions. More recently, the Department of Youth and Sports has initiated the preparation of a new program aimed at expanding access to nurseries and daycare for up to 20,000 children from 3 months to 3 years of age. This new program envisions to use public-private partnerships and support by the IFC in being evaluated. Finally, a new strategy for social protection is being rolled out, including the setting up of a modern Social Registry to improve targeting and the expansion of the Family Allowance (FA) program to benefit an additional 7 million children planned to start in 2022.
20. **In addition, the third phase of the INDH supports and complements the implementation of these sector strategies in favor of ECD.** INDH, a flagship national program launched in 2005, has become a major actor of human development in Morocco. INDH objectives are to combat social and economic exclusion and improve the living conditions of poor and vulnerable groups, through enhanced economic opportunities, better access to basic services, and improved governance. The first two phases (2005-2010 and 2010-2018) resulted in considerable investments in basic infrastructure in rural areas, but only had modest impact on human capital outcomes. INDH3, launched in September 19, 2018 by the King Mohammed VI, differs markedly from earlier phases, and includes an unprecedented focus on ECD through its fourth window, "Preparing Future Generations" (INDH3-P4). It marks a fundamental shift towards "Investing Softly and Early", recognizing the importance of investing in human capital and the unique window of opportunity that the early years constitute. Over the medium and long term, INDH3-P4 aims to contribute to enhanced productivity of children and youth and envisages to use the HCI as a measure of impact over the next decade.
21. **INDH3 has positioned itself as a catalyzer of progress by: (a) focusing on accelerating access and use of ECD services for the most vulnerable; and (b) maximizing impact through stronger quality and integration of ECD services.** In a remarkable departure from earlier phases, INDH3-P4 has adopted a set of core guiding principles that make it strategic for the future of ECD policies in Morocco. First, it targets households and areas that are lagging behind so as to contribute to reducing inequality. Second, it supports improvements in the quality of ECD services by investing into the development of new



methodologies and tools, such as monitoring and evaluation of impact, that can then be adopted and scaled up as part of sectoral strategies. An important area of focus is therefore to improve measurability of ECD outputs and outcomes, including by gathering data on quantitative and qualitative measures of children’s well-being and development, including cognitive and non-cognitive skills. Third, it aims at strengthening multisectoral and multi-level coordination, through the promotion of an integrated and territorial approach to ECD, using a “whole of government approach” and bringing about more coherence and integration across public interventions. Lastly, INDH3-P4 is expected to leverage and complement existing sectoral resources rather than supplementing funding for sectoral strategies. Because of its focus on inequality, quality, as well as institutional sustainability and efficiency, INDH3-P4 constitutes a major strategic opportunity to boost human capital accumulation in Morocco.

Figure 3: INDH3-P4 brings value added to sector strategies for ECD through a catalytic effect



Source of data: INDH

22. **INDH3-P4 is articulated around key multisector interventions aimed at boosting human capital accumulation in vulnerable areas.** Interventions under INDH3-P4 target two defining moments, early childhood and adolescence, for vulnerable populations in rural and disadvantaged areas, including pregnant and nursing mothers, children under 6, school-age children, and adolescents at risk from dropping out from the education and training system. More specifically, INDH3-P4 comprises three pillars:

- **Pillar 1: Improving maternal and child health and nutrition.** The health objective is to support the MoH in reducing maternal, neonatal and child mortality, by boosting access to prenatal and postnatal care, increasing the proportion of births attended by skilled health personnel, and early screening of disability in young children in the most needed rural areas. The nutrition objective is to combat stunted growth and micronutrient deficiencies, by improving the monitoring of the nutritional status of mothers and young children, and supporting MOH in the provision of micronutrients to targeted populations in highest impact areas and in raising awareness on nutrition issues to change behaviors. In this context, the role and value added of INDH-P4 is three-fold: (a) to improve the quality and geographic coverage of the maternity waiting centers; (b) to develop in three target regions<sup>23</sup>, and with the support of UNICEF, a new system of community health workers that reaches out directly to beneficiaries through visits and links them to maternity waiting centers and health facilities; and (c) to design and implement a behavior change campaign to address some key behaviors that constrain progress on core nutrition and health indicators, such as infant and

<sup>23</sup> Beni Mellal-Khénifra, Marrakech-Safi and Draa-Tafilalet are the three target regions, which display the most alarming indicators in terms of maternal and child health and nutrition.



young child feeding practices. This complements the role of the MoH (beyond the scope of this program), which is responsible for the supply of health services – such as prenatal and postnatal visits and assisted deliveries – in health facilities.

- **Pillar 2: Promoting child cognitive and social development.** The objective is to support the MoE in universalizing pre-primary education by boosting access to quality preschool services in rural and remote areas, in partnership with associations, including through the creation of 6,000 new quality preschool units (PUs), by improving pedagogical quality, and by raising stakeholders’ awareness on the importance of quality preschool education. The newly PUs will be gradually transferred under the MoE’s supervisory authority.
- **Pillar 3: Combatting school dropout and promoting educational achievement.** The objective is to reduce learning gaps and promote personal development of children and adolescents, by providing educational support and guidance, strengthening student housing accommodations such as the Dar Talib and Taliba, providing school transportation through the acquisition of school buses, and promoting youth development and job programs and school health. This pillar is beyond the scope of this proposed Program.

**B. PforR Program Scope**

23. **Program boundaries.** The proposed operation will support a portion of the INDH3-P4 with a view to improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services. As a subset of the government program, the PforR will finance Pillars 1 and 2 described above under INDH3-P4. The articulation between the respective scope of the PforR and the government program is defined by the following boundaries:

- *Impact:* Activities selected will have a direct impact on improving early childhood development outcomes;
- *Duration:* The Program duration is aligned with the remaining duration of the government program (INDH3) and will run between 2021 and 2024;
- *Program Area:* The Program area includes the regions of Tanger-Tétouan-Al Hoceima, l’Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa, and the provinces of Guelmin, Tan-Tan, and Sidi Ifni; and
- *Exclusions:* Investments to be excluded will include those that have the potential to cause significant adverse impact on the environment and/or affected people as defined in the World Bank Policy and Directive on PforR Financing, or if they involve works, goods, and consultancy contracts above the Operations Procurement Review Committee (OPRC) thresholds.

24. **Table 1 summarizes the scope of the government program (US\$600 million) and the definition of the Program boundaries (US\$520 million) within the government program.** The activities outside the Program boundary amount to US\$80 million.

**Table 1: Scope of the government program**

<b>Government program: INDH3 (US\$1.8 billion)</b>	
Window 1: Reducing territorial disparities of the lagging regions (US\$400 million)	Outside Program Boundary (US\$400 million)



Window 2: Reducing vulnerability (US\$400 million)	Outside Program Boundary (US\$400 million)
Window 3: Promoting economic inclusion and job creation for the youth (US\$400 million)	Outside Program Boundary (US\$400 million)
Window 4: Preparing future generations (US\$600 million)	
Window 4 - Pillar 1: Improving maternal and child health and nutrition. <ul style="list-style-type: none"> <li>Facilitating access to supervised childbirth, particularly through increasing the use of maternity waiting centers (Dar Al Oumouma)</li> <li>Improving the provision of care for newborns</li> <li>Enhancing monitoring of the nutritional status of target populations</li> <li>Contributing to the improvement of nutritional supply</li> <li>Raising public awareness for behavior changes</li> </ul>	Inside Program Boundary
Window 4 - Pillar 2: Promoting child cognitive and social development. <ul style="list-style-type: none"> <li>Providing early childhood education in rural and remote areas</li> <li>Ensuring quality of pre-school education</li> <li>Raising public awareness</li> </ul>	Inside Program Boundary
Window 4 - Pillar 3: Combatting school dropout and promoting educational achievement. <ul style="list-style-type: none"> <li>Facilitating access to education by upgrading and consolidating the Dar Talib(a) network and school transport</li> <li>Enhancing access to tutoring in disadvantaged areas</li> <li>Promoting extracurricular activities</li> <li>Raising public awareness</li> </ul>	Outside Program Boundary (\$80 million)

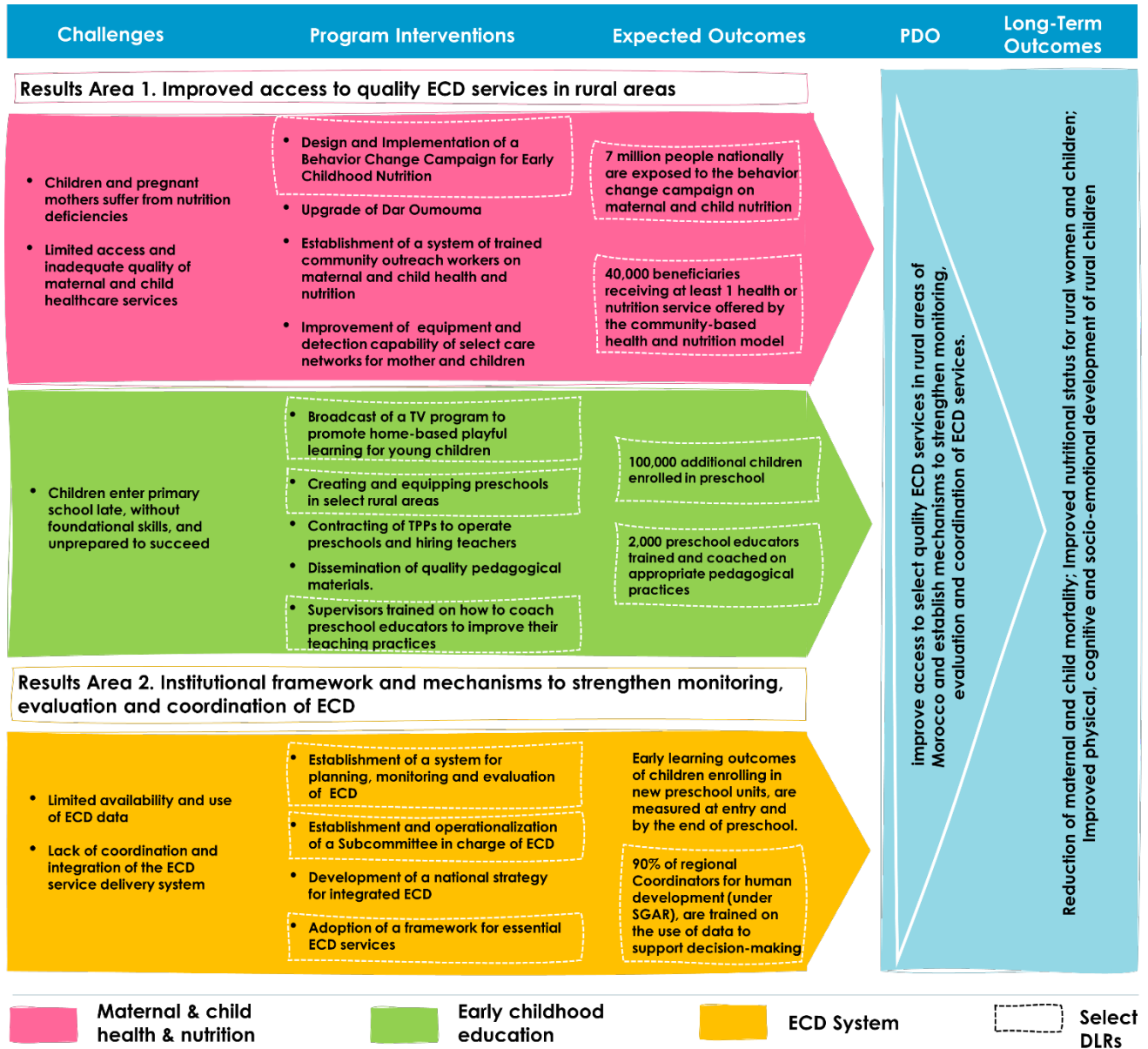
Source of data: INDH strategy 2019-2023

C. Theory of Change

25. Figure 4 summarizes the Program’s theory of change and results chain linking the main challenges identified, the Program interventions, expected outcomes and tentative DLIs identified for each of the two Pillars included in the PforR scope. The key risks that could prevent achieving the results and outcomes of the Program and respective risk mitigation measures are identified in the risks section of the Program.



Figure 4: The Program theory of change and results chain



26. **Building on the government program, the PforR supports two Result Areas (RA) where the Bank's value added is expected to be the strongest.** The PforR will help the government in translating its vision into concrete outcomes by focusing on the key elements and realistic targets that will accelerate progress on ECD outcomes, ensuring a robust monitoring and strong implementation support. The RAs of the Program are embedded within the government program.

27. **RA 1 focuses on improving access to quality ECD services in rural areas.** The holistic and multidimensional aspect of this result area reflects the synergies and complementarities in providing



young children and their families with access to a set of services, encompassing education, health and nutrition, to foster their development. RA 1 is structured around two main objectives:

- **Health and nutrition:** The proposed Program will support INDH3 efforts to improve the health and nutritional status of women of reproductive age and children under 5 years, by incentivizing two approaches that have shown impact at scale in several other countries: (a) the design and implementation of a structured and sustained behavior change campaign to address high priority behaviors, such as exclusive breastfeeding, adequate complementary feeding, and positive parenting; and (b) the design and scaling up of an integrated system of community-based services to improve access to quality health and nutrition services in target rural areas in a timely manner. The proposed Program will incentivize a rigorous design process for the behavior change campaign that is grounded in formative research to set priorities and to identify user-centered communication approaches, and that closely monitors implementation and takes rapid corrective action as needed. Global evidence would suggest that the behavior change campaign is likely to focus on a combination of: (a) advocacy to identify and deliver key messages to champions for policy change and addressing social norms; (b) sustained and intense use of mass media; (c) interpersonal communications, including through the community-based workers, to meet individual needs; and (d) extensive use of data to track and take corrective action as needed. The community-based service arrangement will center around a “triad” of the health facility, a network of improved maternity waiting centers (Dar al Oumouma) and a newly created role of community health and nutrition workers. Importantly, these two approaches are at nascent stages of development within INDH. The PforR will incentivize their development in an evidence-based and data-driven manner for their scale-up to begin at the end of the PforR period. This will be the first time Morocco develops and implements a sustained behavior change campaign and it will also be the first time a fully integrated community-based health and nutrition outreach system is designed and scaled up in the country. The outcomes in these two areas, therefore, are initial system results rather than full population-based changes given the short implementation period.
- **Pre-primary education:** The proposed Program will support INDH3 efforts to accelerate free access to high-quality ECE services in rural areas. It will do so by: (a) focusing on increasing the supply of quality ECE infrastructure, which is particularly lacking in rural areas; and (b) incentivizing improvements in key drivers of quality, namely the quality of the teaching and educational methods used in ECE classrooms. Supply will be expanded through the broadcasting of a TV program to promote home-based playful learning for young children, and the creation and operationalization of 6,000 new PUs by 2023<sup>24</sup>, located in areas where the needs are the highest. All of these newly created units will comply with ECE quality standards to ensure safety and inclusion of all children, including girls and disabled children. The functioning of these units will be delegated to Third Party Providers (TPP)<sup>25</sup> – with know-how and established experience in providing this type of ECE services at the community level. Building on the TPP’s experience with community engagement, INDH3 is working simultaneously on addressing some demand-side constraints by raising awareness about the benefits of preschool education through information sessions with parents and the local communities, which may also be combined with the nutrition campaign to deliver the message early and in an integrated manner. Research evidence shows that process quality, and especially the quality of staff-child interactions, is

<sup>24</sup> The process of identifying local needs is led by the CLDH on the basis of a territorial diagnostic, through a census of pre-primary school age children not enrolled in any form of ECE.

<sup>25</sup> These Third-Party Providers are already identified and under contract. They consist of two large national NGOs – the Foundation Zakoura and the Fondation Marocaine pour la Promotion de l’Enseignement Préscolaire



the determining factor in the quality of ECE services and its impact on child development outcomes. To maintain and improve the process quality of ECE services, INDH will recruit and train, through TPPs, additional preschool educators to staff the newly created PUs. INDH will support the dissemination and use of teaching materials in accordance with the MoE's new preschool curriculum framework adopted in 2018, and preschool educators will be trained to deliver child-centered and play-based pedagogies, which have proved globally to be the most effective in promoting learning of young children. In addition to initial training, preschool educators will receive support and coaching focused on improving pedagogical practices on a regular basis.

28. **RA 2 focuses on the institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD.** It recognizes the important shift in methods and approach in the implementation of INDH3 that is putting significant emphasis on monitoring and evaluation, as well as on coordination and integration at the local and central levels. More specifically, this results area is structured around two key objectives:

- **Monitoring and evaluation:** The proposed Program will support the design and implementation of a comprehensive system for planning, monitoring and evaluation of ECD. The paucity of data, as well as the lack of structuring and organization of this data is hampering its use for planning and decision-making. INDH3 aims at enabling: (a) the use of geo-localized data to identify the needs of rural and remote populations, particularly with regards to ECD services; (b) the production of timely and relevant data to improve the quality of services; and (c) the measurement of impact of ECD services on children's development.

- **Coordination and integration:** Given the multisectoral nature of ECD, lack of coordination and integration can significantly reduce impact. Duplication and gaps can occur when ECD service provision is fragmented across a multiplicity of actors. Yet, synergies are strong in ECD with potential multiplier effects when young children and their families are provided with a relevant and timely package of interventions. The Program will therefore aim at strengthening the coordination and integration of ECD services, among others, by: (a) incentivizing the operationalization of governance mechanisms at central and local levels tasked with the planning and monitoring of diagnosis and implementation of INDH3 interventions, including ECD services; (b) promoting the adoption of a framework for essential ECD services; and (c) strengthening the functioning of local, provincial and regional entities in planning, monitoring and executing ECD interventions, using relevant and timely information provided by the monitoring and evaluation system to be established as part of the PforR.

#### D. Program Development Objective(s) (PDO) and PDO Level Results Indicators

29. **The Program Development Objective (PDO)** is to improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services.

30. **The PDO-level indicators are:**

- Share of adults able to recall at least two key messages according to the strategy and implementation plan



- Number of beneficiaries receiving at least one health or nutrition service offered by the community-based health and nutrition model
- Number of children aged 4 to 6 enrolled in preschool units in Rural Areas, that are equipped and operational according to the ECE Quality Standards (disaggregated by sex)
- Number of children enrolled in new preschool units whose early learning outcomes are measured each semester (disaggregated by sex)
- Share of regional coordinators for human development trained on the use of data generated through the platform to support decision-making (disaggregated by sex)

**E. Disbursement-Linked Indicators and Verification Protocols**

31. **The Program includes six DLIs chosen for their relevance and suitability for results-based financing.** DLIs under the Program were first selected based on their large potential to positively impact stronger ECD outcomes. Second, some of the proposed results were identified as potentially requiring additional incentives to be prioritized. Third, some results are targeted to incentivize coordination between various stakeholders and consensus building. Finally, the DLIs have been selected based on their capacity to clearly reflect significant progress in implementing the Program and to lead to unambiguous decisions regarding disbursements. The achievement of the DLIs will be verified by the General Inspection of Territorial Administration (*Inspection General de l'Administration Territoriale - IGAT*) with relevant technical expertise, before disbursement of funds. The verification protocols for the DLIs are described in detail in Annex 2.

**Table 2: DLIs and justification for DLI selection**

<i>Result Area</i>	<i>DLIs</i>	<i>Justification for DLI selection</i>
RA 1 Improving access to quality ECD services in rural areas	DLI#1. Design and implementation of a behavior change campaign for early child nutrition	<ul style="list-style-type: none"> <li>• Nutrition programs targeting children from conception to 24 months improve growth, cognitive development, and adaptation capacities to boost children’s abilities and help them enter preschool more ready to learn. Global evidence has converged on a package of key nutrition services, which should be provided to women and children during pregnancy and in the first 24 months of a child’s life to increase their resilience. Most of these interventions involve behavior change by either women, other caretakers, or community actors. Morocco will implement a data-driven and sustainable approach to behavior change.</li> <li>• This DLI will incentivize the Government to develop, test and implement a behavior change communication campaign for nutrition, with a focus on rural areas.</li> <li>• Formative research will identify the key behaviors to target with the campaign (e.g., exclusive breastfeeding, appropriate complementary feeding), and inform the development of a strategy and operational plan to change these behaviors. Human-centered design and testing of the communications tools, as well as regular use of data during implementation will enable course correction as the communications campaign is implemented. International best practice would suggest that the strategy will include the following four approaches: (i) advocacy to create an enabling policy environment and to mobilize community influencers; (ii) mass media; (iii) inter-personal communication with households; and (iv) data systems to monitor and course correct as</li> </ul>



		<p>needed. The DLI will incentivize the establishment and use of such strategy to increase knowledge, improve attitudes and change key behaviors.</p> <ul style="list-style-type: none"> <li>• <b>Climate adaptation/mitigation impact:</b> Behavior change campaigns will focus on improving nutrition of expecting women, new mothers and young children, promoting breastfeeding benefits, nutritional information for healthy child growth and the importance of increasing consumption of vegetables and plant-based proteins wherever possible for adults to strengthen their resilience and that of their newborns/young children to climate-related shocks food insecurity, strengthen immune systems to fight diseases, reduce methane emissions, etc.). Campaigns will be using a combination of mass media, mobile technology and community influencers that will reduce the need for transportation to reach beneficiaries, thereby reducing emission pollution. Given the Program’s focus on rural areas, targeted beneficiaries would include those most vulnerable to climate change, benefitting significantly from climate-friendly food consumption messages.</li> </ul>
	<p>DLI#2. Increased availability of quality community-based health and nutrition services for women and children in rural areas</p>	<ul style="list-style-type: none"> <li>• An effective integrated health and nutrition system includes a cascade of services that begins at the community level, where some basic needs are addressed and which facilitates utilization of primary healthcare and, as needed, referral to more complex and costly secondary and tertiary healthcare. However, in rural areas of Morocco, community-based health and nutrition services are not provided in a consistent and high-quality manner. A core community-based health and nutrition package of services has not been defined, nor has the service delivery model including the quality parameters. This absence of effective community outreach leads to lower interaction of poorer households with the healthcare system and subsequent poor health and nutrition outcomes, such as higher maternal mortality and higher child stunting.</li> <li>• This DLI will incentivize the Government to develop a cost-effective system to facilitate households’ access to health and nutrition services that improve maternal and child health, nutrition and sustainability outcomes.</li> <li>• The development and operationalization of health and nutrition services at the community level begins with a prioritization of a core prioritized package of services as well as the quality standards for their delivery. These parameters will form the basis for the development of a model that will be tested and subsequently for a scaling-up strategy for the services. A monitoring system will enable the tracking of availability and quality of these community-based services as well as satisfaction levels (a dimension of quality) of the beneficiaries.</li> <li>• <b>Climate adaptation/mitigation impact:</b> Ensuring availability of healthcare services in rural areas will reduce the vulnerability of benefitting populations by: (a) increasing access to health and nutrition services, reducing distance and travel time especially during adverse weather conditions; (b) minimizing putting women and young children at risk following adverse weather (flooding, landslides etc.) by bringing healthcare services closer to them; and (c) reducing vulnerability to NCD and other type of diseases and food insecurity outcomes in early stages of life. Healthcare infrastructure (Dar al Oumouma) will be constructed or</li> </ul>



		<p>retrofitted to maximize energy efficiency and minimize climate-related impacts (foundational cracks, flooding etc.). Training of community health workers would include disaster- and climate change-related modules and nutritional programs aligned with the environment and sustainable food consumption.</p>
	<p>DLI#3. Expansion of quality preschool education services in rural areas</p>	<ul style="list-style-type: none"> <li>• Quality ECE programs targeting children ages 4 to 6 help foster foundational skills, boost children’s ability to learn and make them ready for school, with evidence of benefits especially strong for disadvantaged children.<sup>26</sup> However, supply of ECE services in Morocco’s rural areas is very limited and, when existing, most often offered in traditional settings.</li> <li>• This DLI will incentivize the government in expanding access to ECE targeting children ages 4 to 6 in rural areas while ensuring a quality of infrastructure that promotes safety, inclusion and sustainable outcomes.</li> <li>• It will support the creation, equipment and operationalization of 6,000 preschool units in targeted areas based on pre-identified needs, and according to standards guaranteeing the quality, accessibility and sustainability of infrastructure, while also adhering to the government’s stringent environmental standards, and the quality of pedagogical material, qualifications and working conditions of ECE teachers. This will lead to a significant expansion of the supply of quality ECE services in rural areas and allow for the enrollment of 100,000 additional rural children and will contribute to increase equitable access to quality pre-primary education especially for girls. Demand-side constraints will be simultaneously addressed by INDH through awareness and information sessions in the local communities. The regular broadcasting of a TV program promoting home-based playful learning of young children is aimed at supporting more learning stimulation in the home environment which, in the event of localized school closures (such as natural disaster or pandemic), offers a way to mitigate learning losses.</li> <li>• <b>Climate adaptation/mitigation impact:</b> Climate-related vulnerabilities will be reduced by ensuring continued learning opportunities for those most affected by climate-related or natural disaster by broadcasting play-based ECE in TV programs. Construction of new PUs and refurbishing/retrofitting existing PUs would be done based on climate-friendly, energy efficient, and disaster-mitigation designs.</li> </ul>
	<p>DLI#4. Enhanced quality of preschool services in rural areas, through the improvement of pedagogical practices</p>	<ul style="list-style-type: none"> <li>• Multiple evidence show how crucial quality is in the provision of ECE services, with poor quality services potentially detrimental to young children.<sup>27</sup> The nature of the interaction between ECE teachers and children is the determining factor in the quality of ECE services and its impact on child development outcomes. The evidence shows that, with more positive staff-child interactions or staff providing higher quality or more exposure to developmental and educational activities, children have higher levels of emerging literacy and numeracy skills, as well as better behavioral and social skills.<sup>28</sup> However, little is known about the actual pedagogical practices implemented by ECE teachers in Morocco.</li> </ul>

<sup>26</sup> OECD 2006, World Bank 2018, SDI Morocco 2016, PISA Morocco 2018, TIMSS Morocco 2019

<sup>27</sup> García, J.L., Heckman, J.J. & Ziff, A.L. 2017. “Gender Differences in the Benefits of an Influential Early Childhood Program”. Working Paper 23412, National Bureau of Economic Research. DOI 10.3386/w23412.

<sup>28</sup> Pianta, Downer and Hamre, 2016; OECD, 2018



		<ul style="list-style-type: none"> <li>• This DLI will incentivize the Government to assess, improve and maintain the quality of ECE with a focus on pedagogical practices of ECE educators.</li> <li>• The delivery of quality training to ECE educators and supervisors in rural areas will directly contribute to the upskilling of the ECE workforce and lead to expected improvements in the educational processes. The recruitment and training of preschool educators under INDH3 is the responsibility of the operators. In parallel, the operationalization of a new evaluation system with a particular attention to the observation of pedagogical practices will allow ECE supervision entities and the Government to collect relevant information about pedagogical practices in preschools and gauge whether the teacher – child interaction is positive and indeed contributing to the quality of educational processes. Timely remedial actions will be taken by ECE operators based on those results, if need be, with a view to progressively improve the quality of the teacher-child interaction.</li> <li>• <b>Climate adaptation/mitigation impact:</b> Strengthening ECE teachers’ skills to introduce climate change topics into lesson planning and ability to recognize children in distress due to traumatic events including climate disaster-related events, and creating adaptive, nurturing and learning-conducive environment will be a critical component of improving the quality of ECE services. To achieve this, the Program will strengthen supervisor capacity to observe and document teacher pedagogical practices, include those related to “emotional intelligence” to support children in distress.</li> </ul>
<p>RA2 Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD</p>	<p>DLI#5. Implementation of a system for planning, monitoring and evaluation of early childhood development</p>	<ul style="list-style-type: none"> <li>• Significant gaps remain in the availability and use of ECD data. While administrative data on ECD service take-up exists, this data is limited to program participation and provides few insights into the quality of services provided. The impact of service take-up on children’s development is mostly unknown. Data on pregnant women and children’s overall wellbeing, while monitored through the National Survey on Population and Family Health, is infrequent (2003, 2011, 2018) and leaves behind key developmental domains, such as young children’s early cognitive and socioemotional development. Existing data may be used at the central level but is rarely shared or used for decision-making at the local level; nor is it used to increase adaptation capacities to climate change effects. This significantly impedes the effective planning of ECD policies, limits the adequate targeting and quality of service delivery, and hinders accountability and transparency.</li> <li>• This DLI will support the design and implementation of a comprehensive system for planning, monitoring and evaluation of ECD. This system will entail a shift towards outcome-oriented policymaking at all levels, and increased focus on evaluating the impact of social policy. Moreover, this DLI will support increased coordination and integration of services by fostering a comprehensive monitoring and evaluation (M&amp;E) approach and establishing the tools and mechanisms to facilitate and institutionalize such integration. Specifically, this system will enable: (a) the use of geo-localized data to identify the needs of rural and remote populations, particularly with regards to ECD services; (b) the production of timely and relevant data to improve the quality of services; and (c) the measurement of impact of ECD services on children’s development.</li> </ul>



		<ul style="list-style-type: none"><li>• <b>Climate change adaptation and mitigation impact:</b> Geo-localized data will facilitate the identification of how climate change impacts affect the wellbeing of children and pregnant women based on current policies and inform local decision makers to develop adaptive capacities in their local development plans. Using technology more effectively would reduce the need for paper-based planning, monitoring and evaluation. Moving to a computerized system would also reduce risks of data losses during an adverse climate change or natural disaster event while specialized IT training would include disaster recovery plans. Finally, results from the proposed impact evaluation would provide information on the effectiveness of ECD services including in the wake of natural disasters or adverse weather events.</li></ul>
	DLI#6. Strengthened coordination for early childhood development	<ul style="list-style-type: none"><li>• While it is clear that children’s development occurs across different domains and requires interventions in multiple sectors, challenges persist in the coordination and integration of the ECD service delivery system. Not only does the delivery of ECD services involve multiple sectors, but it is also split amongst various levels of government and stakeholders, including Cercles at the local level, Provinces at the district level, and Regions at the regional level. This complexity in the architecture of service delivery can lead to duplication, overlaps, or omission that reduce the efficiency of interventions.</li><li>• This DLI will shift the existing sectoral focus in the planning and delivery of ECD services, to an integrated model that is coordinated centrally in terms of strategic vision, and executed locally in terms of planning, implementation and monitoring. This DLI aligns with the broader decentralization/deconcentration agenda in Morocco, which foresees the creation of a number of mechanisms to strengthen decision making autonomy and accountability at the local level. While this DLI focuses on ECD services, the mechanisms aim to strengthen and leverage the benefits of other sectors in the future.</li><li>• This will be done by: (a) incentivizing the operationalization of governance mechanisms at central and local levels tasked with the planning and monitoring of the diagnosis and implementation of INDH interventions, including ECD services; (b) promoting the adoption of a framework for essential ECD services; and (c) strengthening the functioning of local, provincial and regional entities in planning, monitoring and executing ECD interventions, using relevant and timely information provided by the monitoring and evaluation system to be established under DLI#5.</li><li>• <b>Climate change adaptation and mitigation impact:</b> The Program will support local capacity to put in place adaptation and development plans, increase coordination among actors, incorporate climate change vulnerabilities towards ECD and support national development planning to mitigate climate change.</li></ul>



### III. PROGRAM IMPLEMENTATION

#### A. Institutional and Implementation Arrangements

32. **The Program's institutional architecture relies on clear roles, accountability lines, and high-level ownership.** The Program will be implemented by INDH under the oversight of the Ministry of Interior (MI). Roles and responsibilities are clearly defined at all levels of the institutional architecture with existing detailed Terms of Reference (ToRs). The PforR Program benefits from strong commitment from the GoM as it is fully aligned with the flagship national program and country priorities as indicated by the King of Morocco.
33. **Implementation of INDH3-P4 follows the key principles of agility, convergence of actions and participation.** INDH3-P4 leverages and complements existing sectoral resources, catalyzing efforts to bring about more coherence and integration across ministerial departments involved in early childhood and adolescent development. The governance arrangements, already established and functioning, are aligned with the State's new territorial organization stemming from the advanced regionalization process.<sup>29</sup> They provide for a highly participative and inclusive approach, based on the involvement of a wide range of stakeholders and various levels of government. Convergence and participation take place at multiple levels:
- At the central level, the INDH Strategic Committee, chaired by the Head of Government, establishes the INDH strategic framework and ensures coordination of interventions between various sector ministries. A multisectoral Steering Committee, chaired by MI, oversees implementation progress, ensures consistency of human development public policies and has overall responsibility for monitoring and evaluation, as well as budgetary.
  - At the regional and provincial levels, Regional Committees for Human Development (CRDH) and Provincial Committees for Human Development (CPDH) are entrusted with planning and executing activities under the respective responsibility of Walis and governors. The *Secrétariat Général des Affaires Régionales (General Secretariat of Regional Affairs - SGAR)*, a new structure under creation as part of the *Charte Nationale de la Deconcentration (National Charter of Deconcentration)*, will be charged with supporting the CRDH in the planning and budgeting processes, as well as coordinating public interventions in support of human development. Similarly, the existing Social Action Divisions (DAS) at the provincial level play a key role in supporting CPDH in their functions. Their responsibility includes preparing Provincial Plans for Human Development (PPDH) and overseeing and monitoring their implementation, implementing training and capacity building activities, and handling potential grievances.
  - At the Cercle level, Local Human Development Committees (CLDH) are charged with developing participative diagnostics based on an analysis of local needs for boosting human development (ILDHs). They are chaired by the Cercle Chief in rural areas and by the Pacha and/or the head of the urban district in urban areas. To date, 545 CLDH are being set up throughout the country.
34. At each level, the committees are already operational and comprise elected representatives of local government, staff from public agencies, and representatives of civil society. A notable feature in INDH3

<sup>29</sup> In 2011, under the supervision of the MI, Morocco began a new process of advanced regionalization that brings together regions, provinces or prefectures and communes under the umbrella of territorial collectivities. There are now 12 regions (Wilaya), 75 prefectures and provinces and more than 1,500 communes. It should be noted that the cercle (or "pachalik") is at an intermediate level between the province and the commune.



is the participation of women and young people in INDH governance committees.

35. **The Program will be managed by the National Coordination of the INDH (CN-INDH) at the MI, which has largely demonstrated its capacity to implement large-scale programs during the first two phases of INDH.** CN-INDH coordination will be responsible for overseeing the Program, monitoring its implementation and impact, and providing relevant technical assistance and capacity building to entities charged with implementation. Established during INDH1-2, CN-INDH has been significantly strengthened for this third phase. It now comprises five units, respectively focusing on: (a) social engineering; (b) operations and implementation of programs; (c) monitoring and evaluation; (d) administrative and financial matters; and (e) communications. Each of these departments is adequately staffed with highly competent individuals and has clear ToRs and functions.
36. **Finally, government program implementation will rely extensively on a limited number of high-quality TPPs, a strategic and innovative move for INDH3-P4.** Execution of activities under INDH3-P4 relies heavily on the contracting of TPPs, which are recognized for their prior experience and expertise. This differs from earlier phases of INDH where implementation relied on a fragmented and large number of smaller non-state actors whose capacity varied greatly. By shifting to a reduced number of TPPs, INDH3-P4 aims to achieve stronger efficiency by pooling resources and expertise and leveraging economies of scale. TPPs will deliver services on the basis of a contract that establishes clear results in terms of the quality and quantity of service provision, as well as capacity building interventions. In addition, INDH3 also aims through these partnerships at strengthening the capacity and capabilities of non-state actors that have a crucial role to play locally both in terms of service provision, but also in raising awareness and optimizing outreach to communities. Box 1 provides more information about the key non-state actors that have entered into partnership with INDH3.



**Box 1: INDH3 non-state partners**

- *Moroccan Foundation for the Promotion of Preschool Education (Fondation Marocaine pour la Promotion de l'enseignement Prescolaire, FMPS)*: established in 2008 as non-profit association, FMPS has more than a decade of experience in the development of preschool education in urban and rural areas of Morocco, including collaboration with INDH under previous phases. It has created over 2,200 preschool classrooms enrolling more than 41,000 children and has developed a strong expertise in the design and delivery of training to trainers, ECE teachers and supervisors, as well as the development of educational material approved by MoE. FMPS demonstrates high logistical and operational capabilities by managing all aspects of the expansion and daily operations such as contracting, equipment, recruitment and training, in addition to implementing a quality label to ensure the quality of ECE services delivered across its preschool network.
- *Zakoura Foundation (Fondation Zakoura, FZ)*: established in 1997 as a non-profit association, FZ has 25 years of experience in promoting human development and the inclusion of rural and marginalized populations through education, training and empowerment programs that have benefited more than 175,000 children, youth, and women, as well as 4,000 community actors and teachers. Through the Zakoura Lab and Zakoura Academy, FZ has developed a significant expertise in research, curriculum design and training engineering. In 2015, FZ launched an innovative community-based preschool model “ANEER” and made a significant contribution to the extension of quality ECE in rural areas with the creation of more than 490 preschools enrolling over 26,000 children. FZ ensures quality through the delivery of initial and in-service training to locally recruited ECE teachers, provision of supervision and coaching by experienced supervisors, and use of educational materials approved by the MoE. FZ has received several national and international recognitions for its best practices.<sup>30</sup>

37. **DLIs verification.** IGAT will take the responsibility of verifying all DLIs. Owing to its successful involvement in several Bank-financed PforRs, IGAT (under the authority of the MI) has developed a solid reputation as a reliable verification agent and its involvement in the proposed operation constitutes a strong plus for monitoring the Program results.
38. **Financial audit of the Program.** The General Inspectorate of Finances (*Inspection Générale des Finances, IGF*)—a Department of the Ministry of Economy, Finance and Administration Reform (MEFAR) —will carry out the financial audit of the Program in accordance with the IGF standards manual and terms of reference agreed with the World Bank for the audit of PforRs, including the audit of all implementing Entities (IEs), including TPPs. The terms of reference of the audit will include both financial and procurement audits.

**B. Results Monitoring and Evaluation**

39. **INDH3-P4 has a strong vision for monitoring and evaluation centered around the availability and use of relevant data for evaluation and decision-making purposes.** Since inception, INDH has put a heavy focus on being able to document the impact of its interventions and has prioritized early on the rolling out of a strong M&E vision, culminating in the operationalization of a comprehensive system for planning, monitoring and evaluation that is centered around human development during its early years. This platform will allow the collection of data on a regular basis following the entire ECD service delivery

<sup>30</sup> Clinton Global Initiative (CGI), World Innovation Summit for Education (WISE), NGO HundrED. Foundation Education Above All.



chain. From ECD inputs (including costing of services, and number and qualifications of service providers) to outputs (access and quality of services), to final ECD outcomes (measured in terms of children's early physical, cognitive and socioemotional development), data will be continuously collected, analyzed, and used to inform planning and decision-making at the central and local levels.

40. **Monitoring and evaluation mechanisms will also strategically be used to bring about consensus and build a common understanding amongst the stakeholders, which is important given the decentralized and highly participative nature of INDH3-P4.** As mentioned earlier, planning and execution of INDH3-P4 are highly decentralized with local and provincial levels being fully entrusted with the development and execution of Multi-Year Provincial Human Development Plans (*Plan Pluriannuel de Développement Humain* - PPDH). While this set-up is desirable to strengthen the relevance of activities, it could also lead to a dilution of impact in a framework of low accountability for results and lack of clarity on objectives. To prevent this, INDH3-P4 is heavily investing in developing and rolling out a suite of monitoring and evaluation products that would bring about coherence and strengthen ownership and accountability along the execution chain. The first element is a robust theory of change, prepared upstream, that identifies key short-, medium- and long-term objectives for the Program. The participatory approach used to develop the theory of change was also instrumental in ensuring a common understanding of the purpose and importance of various interventions in achieving identified goals; and clarifying roles and responsibilities of different stakeholders. This was particularly relevant given the strategic shift taken by INDH3-P4 to focus less on infrastructure and more on softer aspects of human development. The second element is the set of data collection tools and mechanisms deployed at various levels of service delivery with strong attention given to strengthening capacity and incentivize the use of these data collection tools. In summary, M&E is also seen as an entry point for further coordination and consensus building amongst stakeholders at all levels of service delivery.
41. **Monitoring and evaluation tools being developed as part of the Program are anticipated to have positive spillovers on other sectoral programs.** For example, producing timely and actionable data on the quality of pedagogical practices of preschool educators may become a model of quality assurance system that would permeate the teacher training and coaching programs in non-target areas, and even at the primary and secondary education levels. Similarly, data collected on children's early development would become the basis for a system of early risk detection with timely referrals to the social and child protection systems.
42. **The Results Framework (Annex 1) provides key measures of Program achievements against its stated objectives.** INDH Coordination will be responsible for Program results monitoring and evaluation. It will aggregate the data and ensure that it is backed by evidence of overall progress on all dimensions of the Results Framework, with an emphasis on results related to DLIs, and compliance with Program Action Plan (PAP) requirements. CN-INDH will produce a draft Program Report based on compiled monitoring and evaluation data and any other evidence related to Program implementation. The Coordination will present a status report of the Program to the *Program Monitoring Committee (PMC)* for validation and approval. The PMC will be established no later than three months after loan effectiveness and will be maintained throughout the Program implementation period. The Coordination will submit the approved status report of the Program Report to the World Bank no later than 60 calendar days after the end of each calendar semester, covering the calendar semester. The status report of the Program provides the basis for the World Bank's implementation support missions and the Program's mid-term review.



### C. Disbursement Arrangements

43. **The PforR results areas are embedded in the budget and expenditure management processes of the country system.** Program funds will be entirely reflected in the central Government budget under the MI via the INDH. All payments of the Program will be made through the centralized Treasury system of accounts held at the Central Bank (Bank Al-Maghrib). The GoM, through its budget, will transfer the funds to the INDH via MI based on the expenditure framework and activities to be executed by the INDH and thus prefinance the expenditure. The Public Accountant (*comptable public*) of INDH is in charge of making the payments. The GoM would claim disbursements from the World Bank as the DLIs are achieved. The Independent Verification Agency (IVA) will confirm the attainment of DLIs to release funds in accordance with the agreed schedule. For advances, prior results and achieved results, the funds will be disbursed to the government's Treasury Single Account at the Bank Al-Maghrib. The disbursements under the DLIs will be compared with Program expenditures in the last year of the Program.

### D. Capacity Building

44. **The Program supports key capacity building and institutional strengthening efforts that are required to achieve the PDO.**
- The Bank provided technical assistance throughout the preparation process to support INDH in the framing and refining of its ECD interventions, including through thematic workshops on the use of behavioral change campaigns for improved child nutrition, integrated demand-side strategies for higher uptake of ECD programs, and key objectives for an ECD monitoring and evaluation system. The sharing of international experiences, together with a strong policy dialogue on the specific country needs, paved the way for best practices to be incorporated in the Program design.
  - DLI#1 is designed to incentivize a systematic and sustained use of data over the full course of the implementation of the behavior change campaign, from the formative research that will define the strategy and operational plan, to the regular adjustments that will be made as the campaign is implemented. This data-driven approach to behavior change will be the first for Morocco and thus will not only build INDH capacity but, through knowledge and experience sharing, would serve as an example for other ministries, notably those that interface with INDH.
  - DLI#4 is designed to incentivize the establishment of the cornerstones of an effective quality assurance system for ECE. With key results focusing on building the capacity of supervisors to observe, train and coach preschool educators in an evidence-based manner, the Program is designed to strengthen the supervisory institutional capacity to continuously improve the quality of preschool educators' pedagogical practices. These cornerstones, and their corresponding human resources, tools and processes, would be transferred to the MoE, where they would further strengthen the supervisory capacity in non-target areas and in upper educational levels.
  - DLI#5 is formulated to incentivize the government to strengthen its planning, monitoring and evaluation system for ECD, by creating capacity at both the central- and local-levels to collect, analyze, use and report on timely and relevant data on young children's development. Tools, mechanisms and knowledge generated through DLI 5 can be shared, transferred and owned by sector ministries by the end of INDH3.
  - DLI#6 is formulated to incentivize the government to to strengthen local capacity for the planning, coordination and implementation of ECD services, with the aim of strengthening the convergence and integration of interventions. The resulting strengthened institutional capacity will be leveraged both for



the sustainability of ECD provision beyond the program cycle, as well as for the planning, implementation, monitoring and evaluation of other human development programs and interventions.

45. **To support Program implementation and improve the sustainability of results, a technical assistance program will be implemented by the GoM.** First, technical assistance will be provided as part of the contracting of FZ and FMPS, in their managing the functioning of the preschool units. As part of their contract, expertise and support will be provided in areas such as training of educators, pedagogical practices, and monitoring of compliance with norms and standards. Moreover, INDH has contracted UNICEF to support the design of the community-based health network and will provide access to expertise in this field as part of the contract. Finally, INDH has secured substantial support for activities under RA 2. In particular, the establishment of the M&E system is being supported by various firms with expertise in data collection and information technology (IT) systems.

#### IV. ASSESSMENT SUMMARY

##### A. Technical (including program economic evaluation)

###### Strategic relevance

46. **The proposed Program is strategically relevant since improving ECD outcomes would help dramatically improve human capital and address many of the current and future constraints to economic and social development.**<sup>31</sup> Children's experiences in their early years build the foundation for future learning, behavior and health, while the strength of early foundations affects the formation of skills that determine outcomes later in life. During children's first five years of life, the brain is highly malleable and matures faster than at any other time.<sup>32</sup> Positive or negative experience during this period has implications for well-being, school readiness, and later success in life.<sup>33</sup> ECD programs have important impacts on reducing youth risk-taking behavior such as early pregnancy, criminal activity, violence and substance use.<sup>34</sup> The relevance of ECD will only increase given massive changes in the nature of work expected to result from technological advances (Box 2).

<sup>31</sup> Carneiro and Heckman 2003; Cunha and Heckman 2007; Cunha et al. 2005; Heckman 2006.

<sup>32</sup> Young 2002; Young and Mustard 2007

<sup>33</sup> Shonkoff and Phillips 2000.

<sup>34</sup> Mustard, Young and Dunkelberg 2006.



**Box 2: ECD and the changing nature of work**

**The World Development Report 2019 pointed to the fundamental shifts due to the changing nature of work and the growing importance of skills best acquired during early childhood.** Economies around the world are in the middle of a technological transformation that changes the traditional nature of work. Technology is disrupting production processes and changing how people do their jobs. Changes show not just in new jobs replacing old jobs, but also through the need for new skills profiles for existing jobs.

**Technology is also changing the skills being rewarded in the labor market.** The premium is rising for skills that cannot be replaced by robots. While the demand for routine job-specific skills is declining, the demand is rising for non-routine advanced cognitive skills, such as critical thinking, socio-behavioral skills such as managing and recognizing emotions that enhance teamwork, and skills combinations associated with greater adaptability. Workers with these skills are more adaptable in labor markets.

**The most effective way to prepare individuals for the changing nature of work is to start early.** Early childhood investments efficiently produce skills that are relevant to a child's future. Learning is cumulative— skills acquired at an earlier stage facilitate skills formation in subsequent stages. The returns to early investments are the highest of those made over the life span, and the advantages conferred by these investments grow over time. They also make future skills acquisition more resilient to uncertainty.

**Technical soundness**

47. **The Program has been designed to contribute substantively to the attainment of key results identified in the Government program and reach the objective of improved access and quality of select services that promote ECD in rural areas of Morocco.**
48. **The technical design and focus of the Program draw on strong evidence and global best practices.** Global knowledge emphasizes that the early years, or first 1,000 days of life – from conception, through pregnancy and birth, the newborn period, infancy, and transition to primary school – is a pivotal period of development. By promoting access and quality of integrated ECD services with a view to increasing Morocco's human capital index (HCI), the proposed Program echoes the key messages from the 2018 and 2019 World Development Reports (Report No. 120299 and No. 130189) and from the 2018 "Expectations and Aspirations: A New Framework for Education in MENA" Report (Report No. 131974). It is aligned with the Bank's "Investing in the Early Years" framework and is a strong example of operationalizing the WBG's Human Capital Project at the country level. Key literature is summarized in Table 12 (Annex 3).
49. **The Program design has been adequately structured to help improving early childhood development in rural areas of Morocco.** The Program is designed based on a robust theory of change, which clearly lays out the logical chain between the supported interventions and the expected outcomes. By supporting the provision of ECD services for the most vulnerable focusing on maternal and child health and nutrition and pre-primary education (RA 1), the Program directly addresses the main determinants of child development, which include to be well-nourished and healthy during the first 1,000 days,



receive early stimulation and learning opportunities from birth onward, and be nurtured and protected from stress. By strengthening coordination and measurement (RA 2), the Program also targets institutional elements that will help accelerate and sustain the results in RA 1.

- 50. **The Program supports interventions that address demand-side constraints and the need for behavior change, which are critical to remove specific barriers to the use of ECD services in rural areas.** In addition to boosting supply of ECD services, the Program supports the implementation of communication and information campaigns, and the delivery of training on positive parenting. These activities, targeting mothers, fathers and the community, aim at increasing the demand for health, nutrition and education services and at promoting behaviors and norms that are conducive to optimal child development.
- 51. **The right incentives are in place to ensure that Program stakeholders will effectively contribute to the Program’s success.** The Program addresses issues that are also seen as priorities by line ministries and are strongly aligned with sectoral strategies. The consensus on the Program strategic relevance translates into regular collaboration between INDH, MoH and MoE, as well as into significant budgets made available by the MEFAR for INDH3-P4. INDH3 governance structures, which provide for convergence and participation at strategic, operational and diagnostic levels, also contributes to securing engagement at different levels of government. Moreover, interventions addressing demand-side constraints with parents and the community will ensure that end users are supportive of the interventions.

**Program Expenditure Framework**

- 52. **The Program supports the objectives of the Government program of improving access and quality of select ECD services in rural areas.** The Program financing will amount to US\$520 million over a period of four years (2021–2024), of which IBRD will finance US\$450 million, the remaining US\$70 million will be directly financed by the GoM. The PforR will use *Window 4* of the National Initiative for Human Development Account (*Compte d’Affection Spéciale pour L’INDH – CAS INDH*) as a single depository of funds. Window 4 of INDH is focused on “*Preparing future generations*”. The distribution of this funding is as follows:

**Table 3: Program costs and source of financing (US\$ million)**

Source	Amount	% of Total
GoM	70.00	13.5
IBRD	450.00	86.5
Total	520.00	100

**Table 4: Program costs across results (US\$ million)**

Type of Expenditure (Result Areas)	Financing source		TOTAL
	GoM	WB	
RA 1: Improved access to quality ECD services in rural areas	42.8	394	437
RA 2: Institutional framework and mechanisms to strengthen monitoring, evaluation, and coordination of ECD.	27.2	56	83
<i>TOTAL</i>	70	450	520



53. **Alignment of the budget with government priorities, classification, sustainability, and predictability of expenditures is assessed as adequate.**
- **Fiscal sustainability: Implications of the fiscal context on the PforR.** Despite a tightening fiscal space, Morocco's overall medium-term fiscal outlook is adequate to ensure the sustainability of the Program. In 2020, the COVID-19 pandemic increased fiscal deficit and public debt to 7.7 percent<sup>35</sup> and 77.6 percent of GDP, respectively. The pandemic crisis will most probably have a lasting impact, with growth only returning to the pre-pandemic trend by 2022. The costly economic, social and financial measures swiftly taken by the government to offset its negative economic impact are expected to reduce the government's financial margin. However, over the medium and long term, economic performance is expected to improve, enabled by sound fiscal and monetary policies, more consistent sector strategies, and an improved investment environment, all of which are aimed at supporting gradual competitiveness gains. Given the strong impact of enhanced ECD outcomes on productivity, growth and inequality, the Program is expected to have a positive long-term impact on the fiscal outlook by contributing to broadening the fiscal basis, increasing fiscal revenues and enhancing efficiency of spending.
  - **Program financial sustainability.** The 2021 Budget Law reveals continuity in efforts that began with the 2019 and 2020 Budget Laws to boost revenue mobilization while consolidating spending and reorienting it towards social sectors, including education and health. The 2021 Budget Law introduced a variety of revenue mobilization measures including taxation and privatization in order to finance the ramp up of spending on health, education, social protection, and employment in response to the COVID-19 crisis and public discontent surrounding the high level of economic, social, and territorial inequality. The Budget Law for 2021 identifies three key priorities, namely: (i) protecting and creating job opportunities; (ii) supporting a progressive economic recovery and economic activity; and (iii) speeding up the reform of the administration. It also insists on implementing the recommendations of the Third National Tax Conference to foster a more transparent and efficient tax system. It also emphasizes continued rationalization of public service expenditure, active management of state-owned assets and public institutions, and privatization. Over the past three years, the INDH budget was stable, around US\$370 million and INDH was allocated US\$374 million in the 2021 Budget Law, which shows continuity in budget allocation. Financial sustainability of the program is ensured through the multiyear programming of its budget<sup>36</sup>, as well as by the high visibility and ownership of the program by the MI directly invested into it.
  - **Funding predictability** Overall predictability of GoM's expenditure programs is ensured by the existence of several tools: (i) the Three-year Program Budget (TPB) for 2021 – 2023, developed in the context of the Budget Law; (ii) the annual performance project endorsed by the Parliament which describes the key programs, the associated budget and PIs; and (iii) the annual performance report which summarizes the results achieved and the budget executed for a given year. Overall, as per the 2017 Public Expenditure Framework Assessment (PEFA), the predictability of the GoM's

<sup>35</sup> Morocco Economic Monitor, From Relief to Recovery, World Bank, December 2020.

<sup>36</sup> The 3rd phase (2019-2023) of the INDH was launched by His Majesty King Mohammed VI. It is based on a proactive and innovative approach aimed at preserving and consolidating achievements, refocusing programs on the development of the human capital, especially for future generations. The overall dedicated budget is of MAD 18 billion (US\$ 2 billion) for the implementation of the four programs.



expenditures is robust with the indicator on predictability rated A based on timely release of the budget appropriations to the budget holders. Special funds, such as the INDH, are included in the state budget and adopted by finance law. Specifically, the predictability of the PEF is supported by well-established mechanisms for fiscal transfers from the General Budget of the State (*Budget Général de l'Etat*) to the INDH, channeled through the special account. The INDH's budget execution over the past three years reached over 58 percent. Execution under INDH3-P4 was higher around 70 percent in 2019 and 2020, a percentage that is expected to increase in the post-pandemic phases of implementation.

- **Adherence of the budgeted program expenditure and execution to government priorities.** The activities contained in the expenditure framework meet the directions set by the Government. Moreover, the program's budget structure is clear in terms of sources of funding, budgetary vehicles and categories of expenditures. The PEF is grounded within the General Budget of the State. All expenses are programmed in line with the Classification of the Functions of Government (COFOG) and will be incurred between 2021 and 2024.
- **Budget structure.** The Program's budget structure is clear in terms of sources of funding, budgetary vehicles and categories of expenditures. The Program budget is funded by the INDH through the General Budget of the State and the local communities. Around 52 percent of the expenditures finance physical assets (civil works), 32 percent equipment and goods, 2.5 percent consulting and non-consulting services and 13.5 percent other expenditure including operating costs and grants. The construction of preschool units and Dar Al Oumouma represent the most substantial risk. Mitigation measures will be implemented as already executed under the INDH2 PforR. These mitigating measures would enable to achieve successfully the interlinked activities, such as the development by the CN-INDH no later than three months after loan effectiveness of a detailed Program Operational Manual (POM) that will include fiduciary reporting arrangements.
- **Efficiency of Program expenditures.** The Program's own fiduciary risk control mechanisms (which are more fully assessed within the Fiduciary System Assessment) provide a further driver of efficacy of expenditures under the Program. Despite the alignment between the Program Expenditure Framework and Government priorities, implementation of this Program could be affected by delays in transferring funds. This risk is mitigated by: (i) the strong political backing of INDH; (ii) the clear description of budget flows through a legal framework<sup>37</sup> between INDH and other actors at central and regional levels, including line ministries and how budgets and other incentives will be used; (iii) the existence of a reliable accounting system used (including a descriptive manual of procedures), with reporting arrangements between the different entities at central and regional levels; and (iv) the reporting system adopted by the INDH which is based on the monthly bulletins edited by the General Treasury of the Kingdom (TGR), tracking the performance of the INDH by region, province, and programs. As implemented under the INDH2 PforR, the re-instatement of the permanent

<sup>37</sup> Modified decree n°2-05-1017 of July 19, 2005 by decree n°2-12-86 on May 16, 2012 describes procedures of execution of expenditures in the INDH CAS.



Fiduciary Coordination Committee, mainly composed of the MEFAR budget and control bodies and the CN-INDH staff, would provide support to implement the Program expenditure.

- **Effectiveness.** Activities included under the expenditure framework are subject to technical and financial assessments in order to ensure their timely execution at envisaged costs. The following measures will contribute to ensuring effectiveness of the Program activities:
  - Re-instatement of the permanent Fiduciary Coordination Committee, operating during INDH2 phase. This will facilitate better assessment and adaptive management of INDH fiduciary processes.
  - Fiduciary capacity building program for CN-INDH, CRDH and CPDH; especially during the first year of implementation of the Program (to be supported by the Bank’s fiduciary specialists and the technical assistance envisaged by the Bank-financed PforR)
  - The Court of Accounts has a standing oversight mandate over public funds. However, an external audit is not annually performed, the external audit of the Program by the IGF will enable to have certified financial statements that would be annually audited.
  - The enhanced use of the Moroccan Public Procurement Portal (PMMP) and the timely publication of the annual procurement plans and contracts award results by the implementing entities of the “Compte d’Affectation Spéciale” for INDH (CAS-INDH)<sup>38</sup> and other implementing agencies at regional, provincial and local levels on their websites and on the PMMP will also improve the transparency and the implementation of the Program.

## Economic Justification

54. **Rationale for public investment.** In general terms, public investment in health, nutrition and education focusing on women, young children and adolescents can be rationalized on the basis of its nature as a merit good (a good whose availability should not depend on the ability to pay). In addition, public financing, regulation, and even provision of those services is justifiable because of market failures resulting from information asymmetries, presence of supplier-driven demand, complex and opaque production functions, credit constraints and other market imperfections. Therefore, in Morocco, as in most countries in the region, basic health, nutrition and education services, including those whose provision will be supported by the proposed Program, are already provided primarily through the public sector. Public financing and provision of those services are necessary to improve the efficiency and equity of service delivery. Households from the bottom wealth quintiles often require state interventions to access quality education and health services as private alternatives are either unavailable or of poor quality. As highlighted in the technical analysis, these critical interventions have low uptake by Moroccan families, and are offered at public facilities particularly in rural areas and strengthening the public preschooling and community outreach system for nutrition and maternal health offers significant benefits.
55. **Economic returns.** International evidence points to significant economic returns—both public and private— generated by investments in quality ECD programs. In fact, literature on the subject demonstrates that investing in ECD has a higher rate of return than interventions targeted at any other stage of life. Every US\$1 invested in early childhood is estimated to return US\$6–US\$17, with potential benefits including better health, improved cognitive development and schooling outcomes, and,

<sup>38</sup> CAS-INDH is a Special Purpose Account to facilitate revenue and expenditure tracking for activities under INDH.



eventually, increased wages and productivity. Due to the long-lasting and far-reaching benefits, investments in children's earliest years have the potential to stop the intergenerational transmission of poverty, and investments in ECD are a powerful tool to reduce inequality because disadvantaged children are likely to benefit the most. A meta-analysis of 40 combined nutrition and early stimulation interventions in low- and middle-income countries shows that these programs had an average effect size of 0.42-0.47 standard deviations on cognitive and language development.<sup>39</sup> Coupled with the results from another recent review showing that a standard deviation increase in cognitive development is associated with a 17-22 percent increase in income, the benefits from investment in early years is evident.<sup>40</sup> These interventions not only yield large benefits in terms of child development outcomes but are also highly cost-effective. For example, investing in interventions to increase exclusive breastfeeding rates can yield economic returns up to US\$35 for every US\$1 invested.<sup>41</sup> Similarly, early stimulation programs can also be highly cost-effective. A rigorous analysis of an early stimulation intervention in Bangladesh suggests that a one-point increase in cognitive and language outcomes in a composite score cost between US\$3.11-6.02.<sup>42</sup> For high-quality ECE programs implemented in the United States, the estimated internal rate of return ranges between 7 and 14 percent per annum.<sup>43</sup> Similar results were found in Uganda, where the benefit-to-cost ratio of a preschool intervention was between 1.6 and 8.6.<sup>44</sup> Evidence suggests that substantial improvements in adult outcomes on employment, health and education stem from the lasting impact of ECE on cognitive and socio-emotional skills.<sup>45</sup> The effects of early nutrition, stimulation and education may be even larger for children from low-income households as compared to their peers from higher-income families.<sup>46</sup> In addition to preschooling, the Program also supports the uptake of cost-effective nutrition interventions at the community level. Although intrinsic development objectives in their own right, nutrition outcomes are also instrumental in stimulating economic growth. Poor nutrition in early childhood can result in decreased cognitive ability, lower educational attainment, lost earnings, and losses to national economic productivity. The most damaging effect of malnutrition occurs during pregnancy and in the first two years of life, and the effects of this early damage on health, brain development, intelligence, ability to learn, and productivity are largely irreversible. Improving child health and nutrition, especially in the first 1,000 days, is critical for addressing the World Bank Group's twin goals of eliminating extreme poverty and boosting shared prosperity in a sustainable manner. At the individual level, chronic malnutrition in children is estimated to reduce a person's potential lifetime earnings by at least 10 percent. Studies have shown that a 1 percent loss in adult height results in a 2 to 2.4 percent loss in productivity. An analysis of the economic impact of the Program shows an internal rate of return (IRR) ranging between 6-8 percent based on the scenarios and approach described in the annex 3. It should be noted that this estimate is only based on the expansion of preschooling units; nutrition- and health-related interventions are not included in the IRR given the difficulty in estimating their impact in monetary terms. The benefits of these interventions (as suggested by the literature), as well as the

<sup>39</sup> Aboud, Frances E. and Aisha K. Yousafzai. 2015. "Global Health and Development in Early Childhood." *Annual Review of Psychology*, Vol. 66: 433-457

<sup>40</sup> Patrinos, H and Psacharopoulos, G. Returns to education in developing countries. <https://harrypatrinos.files.wordpress.com/2020/01/returns-to-education-in-developing-countries-eco-of-ed-2020-elsevier.pdf>

<sup>41</sup> An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding, and Wasting Directions in Development - Human Development. April 2017.

<sup>42</sup> Chinen, Marjorie and Johannes M. Bos. 2016. "Impact Evaluation of the Save the Children Early Childhood Stimulation Program in Bangladesh: Final Report." *American Institutes for Research, International Research and Evaluation Program*.

<sup>43</sup> Heckman et al. 2010; García et al. 2017.

<sup>44</sup> UNICEF global resource guide on public finance for children in Early Childhood Development. <https://www.unicef.org/media/67226/file/Guide-on-public-finance-for-children-in-early-childhood-development-Partners-edition-2020.pdf>

<sup>45</sup> Heckman et al. 2013.

<sup>46</sup> Weiland, Christina and Hirokazu Yoshikawa. 2013.



positive social externalities of improved access to quality early childhood development services such as equity, welfare, and intergenerational benefits, would significantly increase the calculated net present value and internal rate of return.

56. **Distributional impact.** The Program would seek to close significant urban-rural inequities across access to and quality of ECD interventions across education, health, and nutrition. As the technical analysis demonstrates, there is a significant amount of inequality between urban and rural areas in Morocco, across both service utilization as well as outcomes, particularly for nutrition and skilled delivery attendance. While there is limited evidence from low- and middle-income countries, a study of a preschool intervention in the United States (Head Start) demonstrates that the earlier the educational investment, the higher its impact on breaking the cycle of poverty and reducing poverty and inequality, suggesting that the rate of return of this Program is potentially higher than estimated given the focus on preschool.<sup>47</sup>
57. **Externalities.** Investments in ECD interventions have significant externalities, and there are positive interactions between the education, health, and nutrition interventions supported by the Program. These include improved cognitive ability, social skills and health outcomes for both children and their caregivers, which are then associated with higher school completion rates, lower grade repetition, and higher individual learnings, across both medium-term and long-term. While it is difficult to quantify such cost savings and longer-term benefits, the estimates of the rates of return are potentially underestimates, and that there are potential synergies across programs: for example, an evaluation from Pakistan found that combining preschool and health counseling services improved both health and education outcomes, even for interventions that were not directly targeted.<sup>48</sup> Results of a recent service delivery indicator survey from Morocco also demonstrate that fourth grade students who have attended at least a year of preschool score better in every subject<sup>49</sup>, highlighting that potential returns are significantly higher as preschool attendance also increases the quality of subsequent years of schooling. Finally, the Program would generate positive externalities through the strengthening of coordination and governance through INDH, as well as improving the quality of care for these services; the lessons learned from the implementation of these quality improvement and governance strengthening interventions can strengthen the delivery of other education, health, and nutrition services.
58. **Bank's value added.** The Bank has a significant amount of experience from recent years from projects strengthening early childhood development, both from within and outside of the MENA region. Through the Human Capital Project, the Bank seeks to accelerate high quality investments in people, with both financial and technical support to countries; a network that can be leveraged through the PforR operation. In addition, the Bank has an active human development portfolio of lending and analytics in Morocco, and this Program will draw from the successes and lessons learned of past engagement.

## Corporate priorities

<sup>47</sup> Johnson, R.C., Jackson, C.K., 2019. Reducing Inequality through Dynamic Complementarity: Evidence from Head Start and Public School Spending. *American Economic Journal: Economic Policy* 11, 310–349. <https://doi.org/10.1257/pol.20180510>

<sup>48</sup> UNICEF global resource guide on public finance for children in Early Childhood Development. <https://www.unicef.org/media/67226/file/Guide-on-public-finance-for-children-in-early-childhood-development-Partners-edition-2020.pdf>

<sup>49</sup> Royaume du Maroc, Observatoire National du Développement Humain. 2017. « Enquête sur les indicateurs de prestation de services en éducation (IPSE) au Maroc »



## Climate

59. **Climate screening and vulnerability context.** Morocco is already bearing the brunt of climate change. In the last six decades, Morocco has recorded an average temperature increase of almost 1 °C, an increase in the average number of hot days, erratic rainfall patterns with rainfall decrease between 3 percent and 30 percent depending on the areas, and a concentration of precipitation over shorter rainy seasons.<sup>50</sup> Between 2000 and 2019, the country experienced 17 major flood events.<sup>51</sup> The country's annual average losses from flooding could exceed US\$400 million.<sup>52</sup> Urbanization is an exacerbating vulnerability factor due to the deficiencies in building code compliance, especially in coastal areas, which concentrate more than 60 percent of the population and over 90 percent of industry.<sup>53</sup> Current climate change projections for Morocco, in addition to increased average and peak temperatures, and further precipitation decrease,<sup>54</sup> also include sea-level rise, which will heighten the risk of inundations, coastal erosion and storm-surges. In addition, the share of Morocco's rural population stood at 37.1 percent in 2019, much of which is composed of small holder farmers. The bulk of the population lives near coastal areas particularly vulnerable to adverse climate impact as mentioned above. Also, 75 percent of cultivated land is owned/operated by 30 percent of farmers, meaning that farmers in rural areas own smaller arable plots of land and are therefore more vulnerable to food shortages due to climate-related shocks or less able to invest in climate mitigation measures. Finally, climate change further exacerbates the enormous existing burden on good nutrition and a healthy diet. Research shows that it affects food and nutrition security<sup>55</sup>, which in turn undermines climate resilience and the coping strategies of vulnerable populations.
60. **In addition, global research indicates that the impacts of climate change endanger children and threaten their right to live in a clean and safe environment.**<sup>56</sup> Despite being least responsible for climate change, children suffer the most from its impact, with nearly 90 percent of those who fall ill due to climate change being children under five.<sup>57</sup> By 2040, an estimated 25 million more children will be malnourished due to climate change and about 600 million will live in areas with extremely limited water resources. Given that Morocco is not immune to the effects of climate change, it can be safely assumed that these challenges also apply to its children.
61. **Intent to address climate hazards and linkage to Program Results Areas.** The proposed Program supports an existing government program that targets rural areas, benefiting populations that are particularly vulnerable to climate hazards. The Program has streamlined its climate adaptation and mitigation measures directly into the proposed DLIs, by:
- Increasing nutritional behaviors that promote breastfeeding and increase resilience of newborns/young children to climate-related shocks and diseases **(DLI#1)**

<sup>50</sup> Third National Communication to the UNFCCC (2015); Moroccan Climate Change Policy (2014); National Plan of Action Against Climate Change (PRNC) (2009)

<sup>51</sup> EM-DAT, [www.emdat.be](http://www.emdat.be)

<sup>52</sup> Results from the "Morocco natural hazards Probabilistic Risk Analysis" can be found in: World Bank (2013). Building Morocco's Resilience: Inputs for an Integrated Risk Management Strategy. Washington, DC. MAD/USD: 0.11 (22/10/2018)

<sup>53</sup> World Bank. (2014). Turn Down the Heat: Confronting the New Climate Normal. Washington, DC: World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/20595>.

<sup>54</sup> <https://climateknowledgeportal.worldbank.org/country/morocco/climate-data-projections>

<sup>55</sup> Climate change and nutrition: Creating a climate for nutrition security. Tirado et.al, 2013. Food and Nutrition Bulletin, vol.34, no.4.

<sup>56</sup> <https://www.unicefusa.org/help/advocate/child-protection-and-inclusion/protect-children-impacts-climate-changewater-resources>.

<sup>57</sup> <https://www.scientificamerican.com/article/children-are-particularly-vulnerable-to-climate-changes-health-impacts/>



- Supporting the construction of healthcare infrastructure to facilitate access, maximize energy-efficiency, minimize climate-related impacts, and reducing travel distance and time for families, thus reducing exposure to environmental hazards and reducing transport emissions **(DLI#2)**
- Supporting the construction and equipment of preschool units that meet the government's environmental standards **(DLI#3)**
- Strengthening ECE teachers' ability to include climate change topics into lesson planning and recognize children in distress due to traumatic events including climate and natural disaster-related events **(DLI#4)**
- Digitizing ECD data to significantly increase accuracy of services being provided based on location, and promoting a shift to cloud computing wherever possible, contributing to eliminating the need for on-site servers, making the data collection and storage system less vulnerable to climate and natural disaster risks **(DLI#5)**; and
- Strengthening local capacity through training to put in place adaptation and development plans that address climate change vulnerabilities of rural beneficiaries and support alignment with national ambitions to fight climate change **(DLI#6)**

A detailed description of climate adaptation and mitigation measures per DLI is included in Annex 3.

## Gender

62. **For pregnant women living in rural areas, access to quality healthcare services is a significant barrier.** As mentioned before, during the first 3 months of pregnancy, only half (50.7 percent) of rural pregnant women receive prenatal care by a qualified professional. This stands in sharp contrast to the 79.2 percent of pregnant women who benefit from prenatal care in urban areas. At the time of delivery, only three fourths (73.4 percent) of women in rural areas give birth in a health facility, whereas 96 percent of women in urban areas benefit from a skilled delivery in a health center. Among others, this has resulted in the maternal mortality ratio in rural areas (111 per 100,000 live births) being more than two times higher than in urban areas (45 per 100,000 live births) (ENPSF 2018). Supply-side barriers are coupled with demand-side constraints driving this gap. Social norms and lower levels of parental education in rural areas, contribute to suboptimal practices in child health, nutrition and early stimulation and education<sup>58</sup>, which can limit certain behaviors and also hinder demand for such services. For example, many rural women continue giving birth at home despite the existence of a nearby birth center due to lack of information, limited transportation, and/or lack of trust and a preference for traditional methods. This is even more prevalent among poor and vulnerable families who also face significant financial constraints.
63. **The Program aims to address this gap and its determinants through (DLI#1) the design and implementation of a behavior change campaign for early childhood nutrition, and increased availability of quality community-based health and nutrition services for women and children in rural areas (DLI#2).** Under DLI#1, the behavior change strategy and its implementation plan will stimulate the demand and influence behaviors on health, nutrition and parental practices, time promoting

<sup>58</sup> The 2017 International Men and Gender Equality Survey (IMAGES) shows that Moroccan men attitudes towards gender equality are improving. However, men's and women's attitudes towards childcare and helping with household chores diverge significantly. For instance, 72.4 percent of men believe that changing diapers, giving baths to children, and feeding children should all be the mother's responsibility compared to 53.7 percent of women.



behaviors and norms that are conducive to more optimal child development (DLRs 1.2a, 1.2b, 1.2c, 1.3a, 1.3b). While pregnant women and mothers of children (up to 24 months) will be specifically targeted, the campaign will include delivery of training on positive parenting for mothers, fathers and the community. Under DLI#2, a model, including quality standards, to promote access to health and nutrition services at the community level for pregnant women and young children in rural areas will be developed and tested (DLRs 2.0, 2.1). DLR 2.2 will set, in a strategy, the operational arrangements for the targeted and quality scale-up of these core services to beneficiaries, including the most vulnerable pregnant women. DLR 2.3 will set a strong incentive for the implementation of this model, by directly incentivizing the delivery of at least one health or nutrition service to targeted women and children.

64. **Additional gender disparities are also identified in pre-primary education, where access is particularly limited for girls in rural areas.** While the pre-primary enrollment rate for rural boys age 4 and 5 stands at 68.8 percent, it is only 54.5 percent for rural girls. This gap becomes even starker when compared with the 79.6 percent of boys in urban areas.<sup>42</sup> Lower enrollment for rural girls may stem from both supply- and demand-side constraints. On the supply side, the MoE is challenged both logistically and financially to bring ECE services to remote areas with highly dispersed population. On the demand side, a lack of awareness on the importance of ECE coupled with long distances to school may deter parents from sending particularly young girls to preschool. To address this gap and its determinants, the Program will support enhanced ECD outcomes for girls through: parental education sessions focused on positive parenting, promotion of girls enrollment and attendance of preschool, and the expansion of quality preschool education services in rural areas to reduce constraints in access (namely distance to school) that are generally stronger for girls. Also, investments in the building and refurbishments of PUs, will support inclusion of design features that may contribute to narrow the gap between girls and boys in pre-school enrollment in the rural areas, e.g., separated toilets for girls and boys, sinks and toilet accessories appropriate for girls' and boys' use, etc. This investment is also expected to bring about positive benefits in terms of women's labor force participation overall, by reducing the time women allocate towards caregiving, and by creating job opportunities for women as preschool educators.
65. **The Program will also address gaps in the availability and use of ECD data, including of sex-disaggregated data on the development of young children.** Under DLI#5, the Program will strengthen planning, monitoring and evaluation of ECD through the development of a methodological strategy and instruments to collect data on children's key developmental milestones along cognitive and non-cognitive domains. This data will be disaggregated for girls and boys and across different groups (i.e., urban versus rural, high-income versus low-income, across regions, etc.), to enable Morocco to construct trends in child development and adequately inform system-level decision-making about how best to support young children's early development and learning. Under DLI#6, the Program will promote the strengthening of regional and provincial capacity for implementation through: an institutional structure that enables participation of community members, including women, in local planning of ECD services (DLR 6.0); and the training of CRDH coordinators to use gender-disaggregated data on ECD to support decision-making (DLR 6.3a).
66. **The Program will specifically monitor progress in narrowing the identified gaps.** In order to monitor the Program's contribution in narrowing the urban-rural gap for pregnant women in access to quality healthcare services, the Program will report on the share of women in target rural areas who benefit from health or nutrition services offered by the community-based health model, during their pregnancy. (The baseline for this indicator stands at 0 as no services are currently available in target



areas, and the target for this Program has been set at 50 percent). In addition, the Program will be reporting sex-disaggregated data on: number of additional children enrolled in newly created PUs, number of preschool educators recruited and trained on appropriate pedagogical practices, as per the quality standards, and; number of CRDH coordinators who have been trained on the use of tools for the planning and coordination of ECD services.

### **Citizen engagement**

67. **As mentioned above, the Program has a strong focus on service delivery and M&E tools to track effectiveness of such services and adjust interventions as they move forward.** The Program, through DLI#6, seeks to strengthen and operationalize citizen engagement as part of the government's overall decentralization efforts. Since 2015, new legislative steps have been taken to empower regional, provincial and local authorities to make decisions at their levels and bring service delivery closer to the citizens. These steps also aim at clarifying collaboration between different levels of the government and impart clear roles and responsibilities. As such, the Program supports the provincial and local levels in ensuring that ECD services are included in PPDHs and respective M&E is carried out. In terms of ensuring citizens at the local levels are consulted, informed and feel that their feedback was taken into account, the Program proposes to build on the existing participatory approach and a feedback-seeking mechanism. Currently, CLDHs conduct the diagnosis and propose specific activities/projects in response to identified needs, by seeking inputs from the community through their representatives within the CLDH. Once local consultations are completed and the diagnosis is conducted, it is sent to the CPDH as a basis for the development of the PPDH.
68. **In addition, the Program will explore low-cost rapid assessment such as Iterative Beneficiary Monitoring (IBM).** These assessments have been used in Morocco before to establish the type of feedback loop that the Program aims to institutionalize so that government could carry it forward as part of other interventions beyond those supported through INDH. The proposed IBM interventions will focus on women using the Dar Al Oumouma and having contact with the community health workers, including benefitting from nutritional counseling, as well as parents of small children accessing ECD services. Feedback collection would be done on the spot or through text messages as part of the follow-up services (which in itself is part of improved service delivery). The health and nutrition interventions proposed as part of a better and more comprehensive service package will also be critical in ensuring that health, as well as ECE services meet the needs of children who might be diagnosed with disabilities and ensure that the planned infrastructure and inputs are built or acquired based on screening results to accommodate these upcoming ECE cohorts. Ongoing feedback collection would focus on parents of children with disability on their expectation of government services and ECE provision, and how well they feel services being offered meet their expectations and ensure continued improvements.
69. **Furthermore, the Program includes strong elements that contribute to citizen engagement and participation. First, the governance structure of INDH3 is highly inclusive and participatory.** In particular, the development of the diagnostic by the CLDHs will bring about the perspectives of citizens in terms of their priorities for human development. The community-based health and nutrition services and the behavior change campaign will be implemented in a way that engages households in design and implementation. Furthermore, the Program will leverage existing grievance redress mechanisms (GRM), such as the "Central Unit for Management of Complaints (*Unité Centrale de Gestion des Réclamations – UCGR*) established under the MoH. The UCGR is fully operational and capacity building



for its management at the regional level was completed by the end of December 2019, including the establishment of regional hotline numbers. The GRM is fully decentralized at the health facility level nationwide. The Program will also make use of the feedback mechanisms currently being put into place through the Education Support Program (P167619), which is in the process of establishing beneficiary feedback mechanisms to gather information on the implementation, relevance and quality of specific Program activities. For example, the proposed PforR may collect feedback from pre-school teachers on the training received using digital technologies. It may also promote pre-school-level social accountability through consultations with parents' associations. The Environmental and Social Systems Assessment will therefore verify the effectiveness of these GRMs and propose necessary actions in the PAP to strengthen these mechanisms if necessary.

### **Race**

70. The Environmental and Social Systems Assessment focuses specifically on how the proposed Program activities could negatively impact vulnerable groups, including racial groups. The environmental and social screening also focuses on how the proposed Program could worsen racial inequalities, involve organizations promoting racial justice in relevant stakeholder consultations and proposing appropriate risk mitigation measures.

### **B. Fiduciary**

71. **Fiduciary Systems Assessment; Data Collection and Methodology:** The Integrated Fiduciary Systems Assessment (IFSA) was carried out by the Bank and was based on: (a) the knowledge of the financial management and procurement systems in Morocco; (b) the most recent national PEFA report completed in 2017; (c) the fiduciary data made available by INDH under the oversight of the MI and affiliated public entities; (d) the analysis of quantitative and qualitative fiduciary data from the implementation of previous operations, such as the ICR of the INDH2 (P116201) and active operations such as the Supporting the Economic Inclusion of Youth Project (P151169); and (e) the audit reports issued by the national oversight bodies: IGF and Court of Accounts. The data made available by involved entities in the Program comprised the percentage of contracts awarded within the service standards, the average number of bids, the percentage of contracts awarded on a competitive basis, the percentage of contracts awarded on a single source basis, budget execution reports, the lead time in the procurement process as well as in the production of the financial statements, and the percentage of complaints received on contracts awarded at the implementing entities level. The Program will be implemented in line with the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing," dated February 1, 2012, and revised July 10, 2015.
72. **Main conclusion: The IFSA concluded that the Program's fiduciary systems meet Bank Policy on PforR Financing requirements and provide reasonable assurance that financing proceeds will be used for intended purposes with the objective of supporting achievement of Program objectives. The overall residual fiduciary risk is rated Moderate.** To ensure adequate implementation, the systems will require some capacity and systems strengthening activities as described below:
  - **Risk assessment.** The fiduciary systems will be strengthened to ensure proper implementation. The key risks are related to potential delays in the procurement process for the execution of the



civil works and equipment required for the creation of 6,000 new PUs, and around 40 Dar Al Oumouma units. These risks may result in delays in the programming and budgeting of activities between the central government and the local authorities involved in the selection of sites and the construction of pre-school and Dar al Oumama units. These activities represent above 50 percent of the total expenditure framework (RA 1) – see table 19. This would also have an impact on the production of timely consolidated financial statements of the Program, necessary to ensure the traceability of the use of funds and to facilitate external audits conduction.

- **Mitigation measures. The Program’s design includes a comprehensive set of measures to mitigate the identified risks.** The risk of delays in the procurement process for the execution of the civil works and equipment related to pre-school and Dar Al Oumouma units will be mitigated by: (i) a periodic procurement performance monitoring system as part of IGAT’s upgraded Management Information System (MIS); (ii) expanded audit review; (iii) new guidance tools on bidding documents and contracts/conventions templates; (iv) restoration of the Fiduciary Coordination Committee (FCC) oversight of fiduciary performance initiated to resolve fiduciary bottlenecks during the INDH2 phase; (v) strengthened grievance redress procedures; (vi) more effective procurement and financial management reporting in the MIS with Key Fiduciary Performance Indicators (FKPIs); and (vii) an enhanced role of the local and regional authorities in defining the Program needs resulting in more efficient and agile procurement processes.

73. **Summary of disbursement arrangements:** The PforR results areas are embedded in the budget and expenditure management processes of the country system. Program funds will be entirely reflected in the central government budget under the MI via INDH. All payments of the Program will be made by the Treasury General of the Kingdom (TGR) through the treasury current account managed at the level of the Central Bank (Bank Al-Maghrib). The GoM, through its budget, will transfer the funds to the MI via INDH based on the expenditure framework and activities to be executed by the INDH via MI and thus prefinance the expenditure. The Ministerial treasurer (*comptable public*) of INDH is in charge of making the payments. The GoM would claim disbursements from the World Bank as the DLIs are achieved. The IVA will confirm the attainment of DLIs to release funds in accordance with the agreed schedule. For advances, prior results and achieved results, the funds will be disbursed to the government’s Treasury Single Account at the Bank Al-Maghrib. The disbursements under the DLIs would be compared with Program expenditures in the last year of the Program.

74. **Procurement exclusions.** Under INDH1 and 2, the contract values have never exceeded US\$2 million. Similarly, the new Program does not envisage any activities, which involve high-value procurement.<sup>59</sup>

## C. Environmental and Social

75. **This Environmental and Social Systems Assessment (ESSA) was undertaken by the World Bank as part of the preparation of the PforR.** The PforR is a US\$450 million loan to the Kingdom of Morocco to support the implementation of Phase 3 of the National Initiative for Human Development (INDH3).

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<sup>59</sup> Contracts with estimated values exceeding the following monetary amounts, as may be amended from time to time, that require mandatory review by the Bank’s Operational Procurement Review Committee (OPRC): (1) works, estimated to cost US\$115,000,000 equivalent or more per contract; (2) goods, estimated to cost US\$75,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost US\$75,000,000 equivalent or more per contract; or (4) consultants’ services, estimated to cost US\$30,000,000 equivalent or more per contract.



76. **The ESSA reviews the Program’s environmental and social management systems.** It assesses their compliance with the provisions of the Bank Policy and Directive on PforR Financing in order to manage Program risks and promote sustainable development. The ESSA focuses on the analysis of: (a) the legislative and regulatory framework: laws, regulations, procedures, etc. (the “system as defined”); and (b) the capacity of the institutions concerned by the Program to effectively implement environmental and social management systems (the “system as applied in practice”). The preparation of the ESSA and the development of measures to strengthen the environmental and social management system benefited from a variety of information and literature review, and an extensive consultation process held on April 1, 2021.
77. **The evaluation, carried out in accordance with the World Bank's PforR Policy, verifies the extent to which PforR program systems:**
- (a) pay special attention to groups vulnerable to hardship or discrimination, including the poor, the disabled, women and children, the elderly, ethnic minorities, racial groups or other marginalized groups; and, if necessary, take special measures to promote equitable access to Program benefits; and
  - (b) incorporate elements recognized as good practice in environmental and social assessment and management, including: (i) early detection of potential impacts; (ii) review of strategic, technical and site alternatives (including the “no action” alternative); (iii) explicit assessment of potential induced, cumulative and transboundary impacts; (iv) identifying measures to mitigate risks and negative environmental or social impacts that cannot otherwise be avoided or minimized; (v) clear articulation of responsibilities and institutional resources to support the implementation of plans; and (vi) responsiveness and accountability through stakeholder consultations, timely dissemination of information on the PforR and appropriate grievance mechanisms.
78. **The infrastructure activities financed under this Program, which have the potential to generate environmental risks, are those related to the construction works of the PUs (50 m<sup>2</sup>) and the Dar Al Oumouma (approximately 100 m<sup>2</sup>). Similarly, there are social risks that could arise during the different phases of the Program implementation,** such as discrimination against target populations or vulnerable populations or their limited access to the benefits of the Program; health and safety risks for workers and communities; risks associated with land acquisition, loss of and/or compensation for cultural heritage, and natural disasters; and risks associated with conflicts potentially generated by the Program. All of these risks remain low to moderate, however, the Program will take measures to mitigate social risks.
79. **Both environmental and social risks and their mitigation measures are discussed in detail in Annex 5.**
80. **Evaluation of the environmental and social management system.** In order to address the gaps identified in the ESSA, this Program will support specific measures to strengthen the performance of Morocco's environmental and social (E&S) management system. These measures will be implemented through an Environmental and Social Management Action Plan for the Program's activities (see Annex 5), incorporating a set of concrete and specific actions.
81. **The Program Action Plan identifies two streams of recommendations.** Each results area includes distinct and complementary activities. The first set of recommendations concerns the strengthening of the environmental and social management system: Guide to Good Environmental and Social



Practices (GBPES). The specific element of the PAP refers to the updating of the GBPES. This guide was developed during phase II of the INDH and will be updated to reflect and understand the new national regulations and take into account the new activities that characterize INDH3. The GBPES requirements for the preparation of an Environmental and Social Management Plan (ESMP) for civil works activities with moderate environmental and/or social risks will be included in the various contractors' Conditions of Contract (CoC). The GBPES will be updated by INDH during the first half of the Program's implementation period and undergo a validation workshop, and a focal point will be designated for the environmental and social management of the Program. Furthermore, the E&S management system will be strengthened at the local level by appointing E&S focal points at the deconcentrated DAS provincial level.

82. The second set of recommendations concerns capacity building and M&E in environmental and social management and includes a GBPES dissemination plan and continuous environmental and social monitoring. **All of these actions are documented in the Program Action Plan, which guides the overall formulation of the Program.**
83. **Communities and individuals who feel they have been harmed as a result of a Bank-supported PforR operation**, as defined by applicable policy and procedures, may submit complaints to the complaints mechanism of the existing Program or to the World Bank Complaint Resolution Service (GRS). The communities and individuals concerned can submit their complaints to the World Bank's Independent Inspection Panel, which determines whether damage has occurred or could occur due to the World Bank's failure to comply with its policies and procedures. For more information on how to submit complaints to the World Bank's Grievance Service (GRS), please visit <http://www.worldbank.org/GRS>. For more information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## V. RISK

84. **The overall risk is Moderate with institutional capacity risk being substantial.** The Program will introduce an important shift in the delivery of ECD services through a coordinated approach down to the local levels. The multidimensional Program scope combined with its numerous stakeholders in the context of a possible change in political landscape provides a moderate risk to achieving the proposed objectives. Key risks as well as mitigation measures are discussed in more detail below.
85. **The Institutional Capacity for Implementation risk is substantial.** The reason for this rating is due to the multisectoral nature of the Program. For the Program to succeed, a complex institutional and regulatory infrastructure will need to be built quickly. Ensuring that these necessary conditions are in place at the right time may be challenging. Also, INDH's whole-of-government approach to improving early childhood development outcomes requires complementary interventions from a variety of different sectors and delivered through a range of different channels. The multidimensional scope of the Program will therefore demand a high level of coordination both vertical (central, regional, provincial, local) and horizontal (across sector ministries). The mitigation is the direct focus on multisectoral coordination in RA 2. Another mitigating factor is the fact that INDH is under the auspices of the Ministry of Interior, which has a proven track record of managing this national initiative and convening relevant actors.



**Table 5: Systematic Operations Risk-Rating Tool (SORT)**

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



**ANNEX 1. RESULTS FRAMEWORK MATRIX**

**Table 6 : Program Development Objective Indicators by Objectives/Outcome**

**Results Framework**

**COUNTRY: Morocco**

**Improving Early Childhood Development outcomes in rural Morocco**

**Program Development Objective(s)**

Improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services.

**Program Development Objective Indicators by Objectives/Outcomes**

<b>Indicator Name</b>	<b>DLI</b>	<b>Baseline</b>	<b>End Target</b>
<b>Improve access to select quality ECD services in rural areas</b>			
Share of adults able to recall at least two key messages according to the strategy and implementation plan (Percentage)		0.00	50.00
Number of beneficiaries receiving at least one health or nutrition service offered by the community-based health and nutrition model (Number)		0.00	40,000.00
Number of children aged 4 to 6 enrolled in preschool units in Rural Areas, that are equipped and operational according to the ECE Quality Standards (disaggregated by sex) (Number)		18,000.00	118,000.00



Indicator Name	DLI	Baseline	End Target
<b>Establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services</b>			
Number of children enrolled in new preschool units whose early learning outcomes are measured each semester (disaggregated by sex) (Number)		0.00	18,000.00
Share of regional coordinators for human development trained on the use of data generated through the platform to support decision-making (disaggregated by sex) (Percentage)		0.00	90.00

**Table 7 : Intermediate Results Indicator by Results Areas**

**Intermediate Results Indicator by Results Areas**

Indicator Name	DLI	Baseline	End Target
<b>Improved access to quality of ECD services in rural areas</b>			
Number of people at the national level exposed to the behavior change campaign according to the behavior change strategy and implementation plan (Number)		0.00	7,000,000.00
Share of women in target Rural Areas who receive at least one health or nutrition service offered by the community-based health model during pregnancy in the past 12 months (*gender indicator) (Percentage)		0.00	50.00
Number of preschool units created in the Rural Areas, that are equipped and operational according to the ECE Quality Standards		1,200.00	7,200.00



Indicator Name	DLI	Baseline	End Target
(Number)			
Number of preschool educators recruited and trained on appropriate pedagogical practices, as per the ECE Quality Standards (disaggregated by sex) (Number)		1,200.00	7,200.00
<b>Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD</b>			
Coordination at the national-level is strengthened through the use of PPDH (Yes/No)		No	Yes
INDH's Monitoring and Evaluation Unit is strengthened (Yes/No)		No	Yes
Beneficiaries' satisfaction is monitored (Yes/No)		No	Yes

**Table 8 : Monitoring & Evaluation Plan: PDO Indicators**

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Share of adults able to recall at least two key messages according to the strategy and implementation plan	Adults should: - Have been exposed to the behavior change campaign, according to the behavior change strategy and implementation plan - Be able to recall at least 2 key message according to the behavior change strategy and implementation plan (DLR 1.2a)	Annual (once at the end of 2023)	Report based on a survey of a representative sample of adults	Behavior change monitoring survey	INDH through a media survey firm (IPSOS, etc.)
Number of beneficiaries receiving at least one health or nutrition service offered by the community-based health and	Beneficiaries should: - Be children under 5 years of age, women of reproductive age, or individuals who influence their behaviors	Annually (once at the end of 2023)	Activity report of the managing associations	Review of the activity report of the managing associations	INDH through managing associations



nutrition model	<ul style="list-style-type: none"> <li>- Be located in rural areas of regions targeted by the scaling-up strategy (DLR 2.2)</li> <li>- Have benefited from at least 1 health or nutrition service offered by the community-based health model</li> </ul>				
Number of children aged 4 to 6 enrolled in preschool units in Rural Areas, that are equipped and operational according to the ECE Quality Standards (disaggregated by sex)	<p>Number of children aged 4 to 6 that are enrolled in Preschool Units (PU) in Rural Areas, that are equipped and operational by the INDH in accordance with the ECE Quality Standards.</p> <p>The ECE Quality Standards for a classroom under INDH3 include:</p> <ul style="list-style-type: none"> <li>- Location: A PU is created in response to a preliminary diagnostic formalized in PPDH, and following the preparation of the UP site identification report.</li> <li>- Infrastructure: a PU is compliant with MOE’s technical guidelines, , which include specifications related to the infrastructure, furniture, equipment, and classroom setting.</li> <li>- Staffing: A qualified preschool educator (who holds at least a baccalaureate degree and has benefited from a quality training as per DLR 4.1) is recruited with a salary at least equivalent to the SMIG and social security coverage.</li> <li>- Content: teaching is aligned with MOE’s new curriculum framework</li> </ul>	Annual (cumulative)	INDH Information System	Annual census of INDH preschools	INDH



	A PU is defined as operational when it meets the above-mentioned conditions and its operating costs are secured for a minimum of 2 years.				
Number of children enrolled in new preschool units whose early learning outcomes are measured each semester (disaggregated by sex)	Number of children, disaggregated by sex, enrolled in INDH preschool units whose early learning outcomes (including both cognitive and non-cognitive skills) are measured each semester, while in preschool.	Annual (cumulative)	Administrative data and INDH evaluation records	Review of INDH's evaluation records	INDH
Share of regional coordinators for human development trained on the use of data generated through the platform to support decision-making (disaggregated by sex)	The regional coordinators for human development will be trained on the use of data to support decision-making.	Annual (cumulative)	INDH training records	Review of INDH training records	INDH

**Table 9 : Monitoring & Evaluation Plan: Intermediate Results Indicators**

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of people at the national level exposed to the behavior change campaign according to the behavior change strategy and implementation plan	People should have been exposed to the behavior change campaign, according to the behavior change strategy and implementation plan (DLR 1.2a).	Annual (cumulative)	Media monitoring data	Media monitoring survey	INDH
Share of women in target Rural	Women in reproductive age should reside in	Annual	Administrative	Review of	INDH



Areas who receive at least one health or nutrition service offered by the community-based health model during pregnancy in the past 12 months (*gender indicator)	target Rural Areas, and should benefit from at least one health or nutrition service offered by the community-based health model during pregnancy in the past 12 months. Target Rural Areas are defined as the 3 regions.	(cumulative)	data	administrative data	
Number of preschool units created in the Rural Areas, that are equipped and operational according to the ECE Quality Standards	<p>Number of Preschool Units (PU) created in Rural Areas, that are equipped and operational by the INDH in accordance with the ECE Quality Standards.</p> <p>The ECE Quality Standards for a classroom under INDH3 include:</p> <ul style="list-style-type: none"> <li>- Location: A PU is created in response to a preliminary diagnostic formalized in PPDH, and following the preparation of the UP site identification report.</li> <li>- Infrastructure: a PU is compliant with MOE’s technical guidelines, which include specifications related to the infrastructure, furniture, equipment, and classroom setting.</li> <li>- Staffing: A qualified preschool educator (who holds at least a baccalaureate degree and has benefited from a quality training as per DLR 4.1) is recruited with a salary at least equivalent to the SMIG and social security coverage.</li> <li>- Content: teaching is aligned with MOE’s new curriculum framework</li> </ul> <p>A PU is defined as operational when it meets</p>	Annual (cumulative)	Administrative data	Annual census of INDH preschools	INDH



	the above-mentioned conditions and its operating costs are secured for a minimum of 2 years.				
Number of preschool educators recruited and trained on appropriate pedagogical practices, as per the ECE Quality Standards (disaggregated by sex)	<p>Recruited preschool educators should receive a salary that is at least equivalent to the SMIG and social security coverage.</p> <p>The training of preschool educators should:</p> <ul style="list-style-type: none"> <li>- Last at least 160 hours before educators take their teaching position at PUs</li> <li>- Be based on the national reference framework for preschool education and on the approved pedagogical kits which promote learning through play</li> </ul>	Annual (cumulative)	Consolidated training report of the Foundations	Review of of the consolidated training report of the Foundations	INDH
Coordination at the national-level is strengthened through the use of PPDH	Coordination for human development is considered to be strengthened at the national level, if the PPDHs are fully digitized, and consolidated data are available at the central level.	Annual	INDH Information System	Review of INDH data	INDH
INDH's Monitoring and Evaluation Unit is strengthened	INDH's Monitoring and Evaluation Unit is considered to be strengthened if it is comprised of a minimum of 10 staff with adequate competences, including 2 department heads (Head of Evaluation and Head of Design and Methods), and 3 project managers (Manager for GIS, Manager for SI, and Manager for Impact Evaluations).	Annual	Administrative data	Review of administrative data	INDH
Beneficiaries' satisfaction is monitored	The Program Monitoring Committee conducts interviews with a random sample of CLDH members, and will send a summary of the consultation to the World Bank.	Annual	Summary of consultations	Review of the consultation summary	INDH



**ANNEX 2. DISBURSEMENT LINKED INDICATORS, DISBURSEMENT ARRANGEMENTS AND VERIFICATION PROTOCOLS**

**Table 10 : Disbursement Linked Indicators Matrix**

DLI	Year 0 (Dec 2020 - June 2021)	Year 1 - 2021	Year 2 - 2022	Year 3 - 2023	Total
<b>DLI#1 Design and implementation of a behavior change campaign for early childhood nutrition</b>		DLR 1.1 Formative research report on infant and young children’s nutrition completed	DLR 1.2a Adoption of behavior change strategy and implementation plan, based on formative research report under DLR 1.1  DLR 1.2b 5 influencers at the national level have been mobilized in support of the behavior change campaign  DLR 1.2c 120 territorial actors at the national level that are sensitized about the behavior change campaign	DLR 1.3a 7,000,000 people at the national level exposed to the behavior change campaign according to the behavior change strategy and implementation plan  DLR 1.3b 50% of adults able to recall at least 2 key messages according to the strategy and implementation plan, pursuant to the Verification Protocol	
<b>Unity of Measure (UoM)</b>		Yes/No	1.2a: Yes/No 1.2b: Number 1.2c: Number	1.3a: Cumulative number 1.3b: Percentage	
<b>Baseline</b>		No	1.2a: No 1.2b: 0 1.2c: 0	1.3a: 0 1.3b: 0	
<b>Target</b>		Yes	1.2a: Yes 1.2b: 5 1.2c.: 120	1.3a: 7,000,000 1.3b: 50%	
<b>Allocation</b>		€4,262,000	1.2a: €5,967,000	1.3a: €12,787,000 (scalable)	<b>€46,885,000</b>



			1.2b: €2,558,000 1.2c: €8,524,000	1.3b: €12,787,000 (scalable)	
<b>DLI#2</b> <b>Increased availability of quality community-based health and nutrition services for women and children in Rural Areas</b>	DLR 2.0 The model facilitating access to community-based health and nutrition services is developed	DLR 2.1 The model facilitating access to community-based health and nutrition services is tested	DLR 2.2 A scaling-up strategy for the model tested under DLR 2.1 to facilitate access to community-based health and nutrition services, is adopted by the Program Monitoring Committee	DLR 2.3 40,000 beneficiaries receiving at least one health or nutrition service offered by the community-based health and nutrition model	
<b>Unity of Measure (UoM)</b>	Yes/No	Yes/No	Yes/No	Number	
<b>Baseline</b>	No	No	No	0	
<b>Target</b>	Yes	Yes	Yes	40,000	
<b>Allocation</b>	€4,262,000	€12,787,000	€11,828,000	€42,625,000 (scalable)	<b>€71,502,000</b>
<b>DLI#3</b> <b>Expansion of quality preschool education services in Rural Areas</b>	DLR 3.0 A TV program promoting home-based playful learning of young children is regularly broadcasted pursuant to the Verification Protocol			DLR 3.3a Cumulative 7,200 preschool units created in the Rural Areas are equipped and operational according to the ECE Quality Standards  DLR 3.3b Cumulative 118,000 children aged 4 to 6 enrolled in preschool units in the Rural Areas, that are equipped and operational according to the ECE Quality Standards	
<b>Unity of Measure (UoM)</b>	Yes/No			3.3a: Number 3.3b: Number	
<b>Baseline</b>	No			3.3a: 1,200 3.3b: 18,000	
<b>Target</b>	Yes			3.3a: 7,200 3.3b: 118,000	
<b>Allocation</b>	€4,262,000			3.3a: €34,098,000 (scalable) 3.3b: €59,672,000 (scalable)	<b>€98,032,000</b>



<b>DLI#4</b> Enhanced quality of preschool services in Rural Areas, through the improvement of pedagogical practices		DLR 4.1 A tool for observing preschool pedagogical practices is developed and adopted by the Program Monitoring Committee	DLR 4.2 100 supervisors trained to observe educators' pedagogical practices in preschool classrooms, using the new observation tool	DLR 4.3a Cumulative 7,200 preschool educators recruited and trained on appropriate pedagogical practices, as per the ECE Quality Standards  DLR 4.3b 2,000 preschool educators who received a supervision and coaching visit aimed at improving their teaching practice	
<b>Unity of Measure (UoM)</b>		Yes/No	Number	4.3a: Number 4.3b: Number	
<b>Baseline</b>		No	0	4.3a: 1,200 4.3b: 0	
<b>Target</b>		Yes	100	4.3a: 7,200 4.3b: 2,000	
<b>Allocation</b>		€8,524,000	€12,787,000 (scalable)	4.3a: €34,097,000 (scalable) 4.3b: €25,573,000 (scalable)	<b>€80,981,000</b>
<b>DLI#5</b> Implementation of a system for planning, monitoring and evaluation of early childhood development	DLR 5.0a A platform to support decision-making is established and operational at the CPDH level  DLR 5.0b The methodological strategy and instruments for the monitoring and evaluation of preschool services are developed	DLR 5.1 The platform for the monitoring and evaluation of preschool services is developed	DLR 5.2a The methodological design of the impact evaluation of preschool services is developed  DLR 5.2b The baseline data for the preschool services impact evaluation is collected	DLR 5.3 The methodological strategy and instruments for the monitoring and evaluation of community-based health and nutrition services are developed	
<b>Unity of Measure (UoM)</b>	5.0a: Yes/No 5.0b: Yes/No	Yes/No	5.2a: Yes/No 5.2b: Yes/No	Yes/No	
<b>Baseline</b>	5.0a: No 5.0b: No	No	5.2a: No 5.2b: No	No	
<b>Target</b>	5.0a: Yes	Yes	5.2a: Yes	Yes	



	5.0b: Yes		5.2b: Yes		
<b>Allocation</b>	5.0a: €4,262,000 5.0b: €4,262,000	€8,524,000	5.2a: €8,524,000 5.2b: €8,524,000	€12,787,000	<b>€46,883,000</b>
<b>DLI#6 Strengthened coordination for early childhood development</b>	DLR 6.0 An institutional architecture that enables convergence and participation at the subnational level is operational	DLR 6.1 A subcommittee in charge of ECD aspects is established and operational	DLR 6.2 A framework for Essential ECD Services is adopted	DLR 6.3a 90% of the regional coordinators for human development trained on the use of data generated through the platform to support decision-making  DLR 6.3b An assessment of the INDH 3 Program is conducted and published under terms and conditions set forth in the Verification Protocol	
<b>Unity of Measure (UoM)</b>	Yes/No	Yes/No	Yes/No	DLR 6.3a: Percentage DLR 6.3b: Yes/No	
<b>Baseline</b>	No	No	No	DLR 6.3a: 0 DLR 6.3b: No	
<b>Target</b>	Yes	Yes	Yes	DLR 6.3a: 90% DLR 6.3b: Yes	
<b>Allocation</b>	€4,262,000	€8,524,000	€8,524,000	DLR 6.3a: €8,524,000 (scalable) DLR 6.3b: €8,524,000	<b>€38,358,000</b>
<b>Total</b>					<b>€383,600,000*</b>

\*Total includes front-end fee of €959,000.



**Table 11 : Verification Protocol Table: Disbursement-Linked Indicators**

Disbursement-Linked Result (DLR)	Definition of DLR and proof of accomplishment	Protocol to evaluate achievement of the DLRs and data/results verification			Disbursement formula (all amounts indicated in Euro)
		Data Source	Verification Entity	Verification Procedure	
<b>DLI #1 – Design and Implementation of a behavior change campaign for early childhood nutrition</b>					
DLR 1.1 Formative research report on infant and young children’s nutrition completed	<p>The report will:</p> <ul style="list-style-type: none"> <li>Identify key behaviors that need to be changed to improve nutrition outcomes in pregnant women and young children;</li> <li>Identify key barriers to these behaviors (beliefs, social norms, as well as community members that influence these norms);</li> <li>Identify key target audience for behavior change messages (e.g., specific members in the household), assess how they get influenced, and identify key media outlets/channels used by this audience.</li> </ul>	INDH report	IGAT	The agency will verify that the report meets all specified criteria	Non-scalable; €4,262,000 by December 31, 2022
DLR 1.2a Adoption of a behavior change strategy and implementation plan, based on the formative research report under DLR 1.1	<p>The strategy will be developed based on the findings from the formative research report (DLR 1.1), and will include:</p> <ul style="list-style-type: none"> <li>An advocacy approach to create an enabling institutional environment;</li> <li>An engagement plan proposing how to identify and to mobilize, throughout the country, community members who have influence;</li> <li>An approach on the use of mass media;</li> <li>An approach on the use of inter-personal; communication with households and health facilities</li> <li>An approach on the use of data to inform immediate actions and adjustments to the behavior change campaign;</li> <li>An implementation plan detailing all the steps, arrangements, and timeline needed for the implementation of the strategy.</li> </ul>	INDH	IGAT	The agency will verify that the strategy and accompanying implementation plan meet all specified criteria and are adopted by the INDH steering committee according to meeting minutes	Non-scalable; €5,967,000 by December 31, 2023
DLR 1.2b 5 influencers at the national level	Influencers at the national level are defined as renown people who are identified and mobilized with support from the Program and as per the strategy developed under DLR 1.2a.	INDH Report	IGAT	The agency will be provided with the INDH	Non-scalable; €2,558,000 by December 31, 2023



have been mobilized in support of the behavior change campaign				Report, which will be verified against the implementation plan (DLR 1.2a).	
DLR 1.2c 120 territorial actors at the national level that are sensitized about the behavior change campaign	Territorial actors at the national level mobilized according to the implementation strategy produced under DLI 1.2a (DAS and other actors).	INDH	IGAT	The agency will be provided with the INDH Report, which will be verified against the implementation plan (DLR 1.2a)	Non-scalable; €8,524,000 by December 31, 2023
DLR 1.3a 7,000,000 people at the national level exposed to the behavior change campaign according to the behavior change strategy and implementation plan	People will: <ul style="list-style-type: none"> <li>Have been exposed to the behavior change campaign, according to the behavior change strategy and implementation plan (DLR 1.2a).</li> <li>Be located in urban or rural areas within the national territory.</li> </ul>	INDH	IGAT	The agency will verify the consolidated monitoring report on the number of people who have been exposed to the behavior change campaign through a media outlet.	Scalable; From a baseline of 0, for each person at the national level exposed, EUR 1.83 is available for disbursement, up to 12,787,000 (from a minimum threshold for disbursement of EUR 1,278,700).
DLR 1.3b 50% of adults able to recall at least 2 key messages according to the strategy and implementation plan, pursuant to the Verification Protocol	Adults will: <ul style="list-style-type: none"> <li>Have been exposed to the behavior change campaign, according to the behavior change strategy and implementation plan;</li> <li>Be able to recall at least 2 key messages according to the behavior change strategy and implementation plan (DLR 1.2a).</li> </ul>	INDH	IGAT	The agency will be provided with a report documenting the results of survey(s) conducted for a representative sample of adults who have been exposed to the	Scalable; From a baseline of 0, for each 1% point increase of adults recalling at least 2 key messages, EUR 255,740 is available for disbursement, up to 12,787,000 (from a minimum threshold for disbursement of EUR 1,278,700).



				behavior change campaign to verify that they are able to recall at least two key messages from the behavior change campaign. The sampling frame for this survey(s) will be acceptable to the WB.	
<b>DLI #2 – Increased availability of quality community-based health and nutrition services for women and children in Rural Areas</b>					
DLR 2.0 The model facilitating access to community-based health and nutrition services is developed	<p>The model will:</p> <ul style="list-style-type: none"> <li>• Include components that facilitate access to health and nutrition services at the community level, as described in a technical paper presenting the model and its various components to the tripartite agreement committee;</li> <li>• Have undergone consultation, as described in the kick-off workshop report, with local representatives of MI and MOH.</li> </ul>	INDH	IGAT	The agency will verify that the model is described in a technical paper and that consultations took place, on the basis of the minutes of the tripartite agreement committee and submitted documents.	Non-scalable; €4,262,000 by December 31, 2021
DLR 2.1 The model facilitating access to community-based health and	The model developed under DLR 2.0 will be tested in a sample of at least 30 cercles. Results from the pilot will be documented in a piloting report, with the aim of incorporating lessons learnt into the scaling-up strategy (DLR 2.2).	INDH	IGAT	The agency will be provided with the piloting report and will verify that the	Non-scalable; €12,787,000 by December 31, 2022



nutrition services is tested				model has been tested in the expected sample.	
DLR 2.2 A scaling-up strategy for the model tested under DLR#2.1 to facilitate access to community-based health and nutrition services, is adopted by the Program Monitoring Committee	<p>The scaling-up strategy will:</p> <ul style="list-style-type: none"> <li>• Be informed by the model’s testing (DLR 2.1) - Lay out the implementation plan for the scaling-up of access to health and nutrition services at the community level in targeted rural areas in at least three regions;</li> <li>• Assess all necessary human, financial and other resources to implement the scaling-up strategy.</li> </ul>	INDH	IGAT	The agency will verify that the scaling-up strategy has been adopted by the Program Monitoring Committee.	Non-scalable; €11,828,000 by December 31, 2023
DLR 2.3 40,000 beneficiaries receiving at least one health or nutrition service offered by the community-based health and nutrition model	<p>Beneficiaries will:</p> <ul style="list-style-type: none"> <li>• Be children under 5 years of age, women of reproductive age, or individuals who influence their behaviors;</li> <li>• Be located in rural areas of regions targeted by the scaling-up strategy (DLR 2.2)</li> <li>• Have benefited from at least 1 health or nutrition service offered by the community-based health model.</li> </ul>	Activity report of the managing associations	IGAT	The agency will verify the number of beneficiaries as reported in the activity report of managing associations.	Scalable; From a baseline of 0, for each beneficiary receiving at least one health or nutrition service offered by the community-based health and nutrition model, EUR 1,065.63 is available for disbursement, up to 42,625,000 (from a minimum threshold for disbursement of EUR 1,065,625).
<b>DLI #3 – Expansion of quality preschool education services in Rural Areas</b>					
DLR 3.0 A TV program promoting home-based playful learning of young children is regularly broadcasted pursuant to the	<p>The television program will:</p> <ul style="list-style-type: none"> <li>• Be age-appropriate and designed to engage 4 and 5-year-old children;</li> <li>• Be broadcasted on national television between December 2020 and March 2021.</li> </ul>	TV scripts and show recordings / MOE	IGAT	The agency will confirm that the TV program content meets the specified criteria.	Non-scalable; €4,262,000 by December 31, 2021



Verification Protocol	<p>Number of Preschool Units (PU) created in Rural Areas, that are equipped and operational by the INDH in accordance with the ECE Quality Standards.</p> <p>The ECE Quality Standards for a classroom under INDH3 include:</p> <ul style="list-style-type: none"> <li>• <b>Location:</b> A PU is created in response to a preliminary diagnostic formalized in PPDH, and following the preparation of the UP site identification report;</li> <li>• <b>Infrastructure:</b> A PU is compliant with MOE’s technical guidelines, which include specifications related to the infrastructure, furniture, equipment, and classroom setting;</li> <li>• <b>Staffing:</b> A qualified preschool educator (who holds at least a baccalaureate degree and has benefited from a quality training as per DLR 4.1) is recruited with a salary at least equivalent to the SMIG and social security coverage;</li> <li>• <b>Content:</b> teaching is aligned with MOE’s new curriculum framework.</li> </ul> <p>A PU is defined as operational when it meets the above-mentioned conditions and its operating costs are secured for a minimum of 2 years.</p>	INDH Information System	IGAT	Data is provided to the independent agency. The independent agency will conduct site visits and spot checks in a sample of randomly selected PUs to verify it meets the standards. The sampling framework will be acceptable to the WB.	Scalable; From a baseline of 1,200, for each additional preschool unit created, equipped and operational according to the ECE Quality Standards, EUR 5,683 is available for disbursement, up to 34,098,000 (from a minimum threshold for disbursement of EUR1,136,600).
DLR 3.3b Cumulative 118,000 children aged 4 to 6 enrolled in preschool units in the Rural Areas, that are equipped and operational according to the ECE Quality Standards	<p>Number of children aged 4 to 6 that are enrolled in Preschool Units (PU) in Rural Areas, that are equipped and operational by the INDH in accordance with the ECE Quality Standards.</p> <p><i>The ECE Quality Standards for a classroom under INDH3 include:</i></p> <ul style="list-style-type: none"> <li>- <b>Location:</b> A PU is created in response to a preliminary diagnostic formalized in PPDH, and following the preparation of the UP site identification report;</li> <li>- <b>Infrastructure:</b> A PU is compliant with MOE’s technical guidelines, which include specifications related to the infrastructure, furniture, equipment, and classroom setting;</li> </ul>	INDH Information System	IGAT	Enrolment data is provided to the independent agency. The independent agency will conduct site visits and spot checks in a sample of randomly	Scalable; From a baseline of 18,000, for each additional child enrolled in a preschool unit in the Rural Areas that is equipped and operational according to the ECE Quality Standards, EUR 596.72 is available for disbursement, up to 59,672,000 (from a minimum threshold for disbursement of EUR1,790,160).



	<ul style="list-style-type: none"> <li>- <b>Staffing:</b> A qualified preschool educator (who holds at least a baccalaureate degree and has benefited from a quality training as per DLR 4.1) is recruited with a salary at least equivalent to the SMIG and social security coverage;</li> <li>- <b>Content:</b> teaching is aligned with MOE's new curriculum framework.</li> </ul> <p>A PU is defined as operational when it meets the above-mentioned conditions and its operating costs are secured for a minimum of 2 years.</p>			selected PUs to verify enrolment numbers. The sampling framework will be acceptable to the WB and children must have been enrolled for a minimum of 3 months at the time of the spot check.	
<b>DLI #4 – Enhanced quality of preschool services in Rural Areas through the improvement of pedagogical practices</b>					
DLR 4.1 A tool for observing preschool pedagogical practices is developed and adopted by the Program Monitoring Committee	The tool for observing the pedagogical practices of preschool educators will: (i) be compliant with existing quality standards set in MOE's new preschool curriculum framework, (ii) contain an observation rubric on key domains of preschool pedagogical practices, (iii) include a protocol and training manual describing how it will be implemented in PUs.	INDH	IGAT	The agency will verify that the observation tool meets all the specified characteristics.	Non-scalable; €8,524,000 by December 31, 2022
DLR 4.2 100 supervisors trained to observe educators' pedagogical practices in preschool classrooms, using the new observation tool	Supervisors of associations are trained in the use of the observation tool for pedagogical practices and data reporting.	Consolidated training report of the Foundations	IGAT	The agency will be provided with consolidated training reports for verification. The agency will also conduct interviews to a sample of	Scalable; From a baseline of 0, for each supervisor trained to observe educators' pedagogical practices in preschool classrooms using the new observation tool, EUR 127,870 is available for disbursement, up to 12,787,000 (from a minimum threshold for disbursement of EUR 1,278,700).



				randomly selected supervisors to verify successful completion of training.	
DLR 4.3a Cumulative 7,200 preschool educators recruited and trained on appropriate pedagogical practices, as per the ECE Quality Standards	<p>Recruited preschool educators will receive a salary that is at least equivalent to the SMIG and social security coverage.</p> <p>The training of preschool educators will:</p> <ul style="list-style-type: none"> <li>• Last at least 160 hours before educators take their teaching position at PUs;</li> <li>• Be based on the national reference framework for preschool education and on the approved pedagogical kits which promote learning through play.</li> </ul>	Consolidated training report of the Foundations	IGAT	<p>The agency will be provided with consolidated training reports for verification. The agency will also conduct interviews to a sample of randomly selected preschool educators to verify successful completion of training. The sampling framework and training materials will be acceptable to the WB.</p>	<p>Scalable;</p> <p>From the baseline of 1,200, for each additional preschool educator recruited and trained on appropriate pedagogical practices, EUR 5,683 is available for disbursement, up to 34,097,000 (from a minimum threshold for disbursement of EUR 1,136,600).</p>



<p>DLR 4.3b 2,000 preschool educators who received a supervision and coaching visit aimed at improving their teaching practice</p>	<p>Number of preschool educators who received a visit from a trained supervisor (DLR 4.2) during which their pedagogical practices were observed based on the tool (DLR 4.1) and after which an individualized report is produced and shared with the preschool educator and the supervising entity.</p>	<p>Consolidated supervision reports of the Foundations</p>	<p>IGAT</p>	<p>The agency will be provided by INDH with the Foundations' consolidated supervision reports for verification. The agency will also conduct interviews with a sample of randomly selected preschool educators to verify that a supervision and coaching visit was conducted. The sampling framework will be acceptable to the WB.</p>	<p>Scalable; From the baseline of 0, for each preschool educator who received a supervision and coaching visit, EUR 12,786.50 is available, up to 25,573,000 (from a minimum threshold for disbursement of EUR 1,278,650).</p>
<p><b>DLI#5 - Implementation of a system for planning, monitoring and evaluation of early childhood development</b></p>					
<p>DLR 5.0a A platform to support decision-making is established and operational at the CPDH level</p>	<p>The platform for decision-making will allow to:</p> <ul style="list-style-type: none"> <li>Identify human development priority needs in a given territorial area of interest;</li> <li>Explore the means currently being implemented to address identified needs;</li> <li>Compare human development indicators by grouping them around programs, themes, dimensions and putting them into perspective between the different geographic entities;</li> <li>Suggest the axes on which the PPDH projects will allocate their resources and implement projects.</li> </ul>	<p>INDH platform</p>	<p>IGAT</p>	<p>The agency will verify that the creation of the platform as well as its functionalities have been officially communicated to the CPDH, through the</p>	<p>Non-scalable; €4,262,000 by December 31, 2021</p>



				PPDH framework document.	
DLR 5.0b The methodological strategy and instruments for the monitoring and evaluation of preschool services are developed	<p>The strategy will include:</p> <ul style="list-style-type: none"> <li>• The theory of change;</li> <li>• The key indicators to collect;</li> <li>• The data collection tools for monitoring and evaluation.</li> </ul>	INDH	IGAT	The agency will be provided with a report prepared by INDH describing the developed strategy and tools.	Non-scalable; €4,262,000 by December 31, 2021
DLR 5.1 The platform for the monitoring and evaluation of preschool services is developed	The platform is shared with the CPDH and will include a dashboard that allows to visualize process and outcome indicators for the monitoring and evaluation of preschool education.	INDH	IGAT	The agency will be provided right to access the platform and verify that it is operational and meets the specified criteria. It will also be provided with the list of entities that have been granted access to the platform.	Non-scalable; €8,524,000 by December 31, 2022
DLR 5.2a The methodological design of the impact evaluation of preschool services is developed	<p>An impact evaluation will be conducted with the objective of measuring the impact of INDH's preschool program on the cognitive and non-cognitive development of beneficiary children, and on the acquisition of necessary competences for transitioning into primary school.</p> <p>The design of such evaluation will be summarized in a methodological design document, which will include:</p> <ul style="list-style-type: none"> <li>• A Theory of Change for the INDH preschool program,</li> </ul>	Evaluation design document	IGAT	The agency will be provided with the methodological design which will be approved by the CN-INDH.	Non-scalable; €8,524,000 by December 31, 2023



	<p>along with underlying hypotheses, which will be the basis for identifying the main research questions of the impact evaluation;</p> <ul style="list-style-type: none"> <li>• An impact evaluation methodology describing in detail the methodological approach that will be used to estimate the impact of the INDH preschool program (i.e., experimental or non-experimental method, explanatory and outcome variables, etc.) This methodology should allow to causally estimate the impact of the program, while taking into account the operational constraints of the preschool program;</li> <li>• A description of the sampling methodology, which should: enable the evaluation to: (i) rigorously answer the research questions predefined by the INDH, (ii) provide the level of detail required and useful for decision-making (e.g., differentiation of subgroups of beneficiaries), and (iii) have the necessary statistical power to detect minimum effect size(s);</li> <li>• A data collection protocol describing the types of data to be collected (quantitative, qualitative, and mixed methods), as well as the tools and instruments to be used, such as questionnaires;</li> <li>• A quality assurance strategy for data collection that includes, but is not limited to, field data collection protocols and data quality control standards (e.g., spot-checks, back-checks, high- frequency checks).</li> </ul>				
<p>DLR 5.2b The baseline data for the preschool services impact evaluation is collected</p>	<p>Baseline data will be collected, as applicable and as per the impact evaluation methodological design (DLR 5.2a). Baseline data will meet the following specifications:</p> <ul style="list-style-type: none"> <li>• Sample size that allows for enough statistical power to observe the minimum detectable effect size, as per the impact evaluation methodological design;</li> <li>• Sample will be constructed in a way such that allows to make inferences to the population/subpopulation(s) of interest, in accordance to the impact evaluation methodological design;</li> </ul>	<p>INDH Raw data</p>	<p>IGAT</p>	<p>The agency will verify that the raw dataset meets all the specified criteria as per the impact evaluation methodological design (DLR 5.2a).</p>	<p>Non-scalable; €8,524,000 by December 31, 2023</p>



	<ul style="list-style-type: none"> <li>Measurement strategy and instruments that will be implemented as per the impact evaluation methodological design, and protocols for ensuring strict data quality controls, including but not limited to spot-checks, back-checks, high- frequency checks;</li> <li>For some methodologies, baseline data is needed to minimize bias and for others it is mainly used to increase precision. The research design of the impact evaluation will indicate if that is the case.</li> </ul>				
DLR 5.3 The methodological strategy and instruments for the monitoring and evaluation of community-based health and nutrition services are developed	<p>The strategy will include:</p> <ul style="list-style-type: none"> <li>The theory of change;</li> <li>The key indicators to collect;</li> <li>The data collection tools for monitoring and evaluation.</li> </ul>	INDH	IGAT	The agency will be provided with an INDH Report that describes the developed strategy and tools.	Non-scalable; €12,787,000 by December 31, 2024
<b>DLI #6 – Strengthened coordination for early childhood development</b>					
DLR 6.0 An institutional architecture that enables convergence and participation at the subnational level is operational	<p>The institutional architecture will include the following territorial levels:</p> <ul style="list-style-type: none"> <li>Local level: the CLDH;</li> <li>Provincial level: the CPDH;</li> <li>Regional level: the CRDH.</li> </ul>	INDH Note	IGAT	The agency will be provided with an updated note of the governance bodies at the territorial level.	Non-scalable; €4,262,000 by December 31, 2021
DLR 6.1 A subcommittee in charge of ECD	<p>The subcommittee will be created by INDH Steering committee and will:</p> <ul style="list-style-type: none"> <li>Be attached to INDH's Steering Committee;</li> </ul>	Steering Committee meeting	IGAT	The agency will be provided with the	Non-scalable; €8,524,000 by December 31, 2022



<p>aspects is established and operational</p>	<ul style="list-style-type: none"> <li>• Be comprised of representatives from key ministries and entities involved in the planning and delivery of ECD services;</li> <li>• Have the mission of contributing to a strong multisectoral coordination in the planning and delivery of ECD services.</li> </ul>	<p>minutes</p>		<p>Steering Committee meeting minutes establishing the Subcommittee in charge of ECD. The agency will also be provided with meeting minutes of meetings held by the ECD Subcommittee, if applicable.</p>	
<p>DLR 6.2 A framework for Essential ECD Services is adopted</p>	<p>The ECD Subcommittee defines a framework that identifies essential ECD interventions that will be delivered at different stages in a child’s life, spanning the education, health and nutrition sectors. This framework will be adopted by INDH’s Steering Committee.</p> <p>Essential ECD interventions are defined as the minimum services required for the healthy development of a child from ages 0 to 6.</p>	<p>INDH</p>	<p>IGAT</p>	<p>The agency will be provided with INDH’s Steering Committee’s meeting minutes regarding the adoption of the framework for the essential ECD services.</p>	<p>Non-scalable; €8,524,000 by December 31, 2023</p>
<p>DLR 6.3a 90% of the regional coordinators for human development trained on the use of data generated through the platform to</p>	<p>The regional coordinators for human development will be trained on the use of data to support decision-making.</p>	<p>INDH training records</p>	<p>IGAT</p>	<p>The agency will be provided with the training records.</p>	<p>Scalable; From a baseline of 0, for each percentage point of regional coordinators for human development trained, 94,712 is available for disbursement, up to 8,524,000 (from a minimum threshold for disbursement of EUR 852,400).</p>



support decision-making					
DLR 6.3b An assessment of the INDH 3 Program is conducted and published under terms and conditions set forth in the Verification Protocol	The assessment will include an evaluation of the technical and fiduciary achievements of INDH3, based on the new data collected by the INDH Evaluation Unit during the implementation of the government program. The assessment will be documented in a report.	INDH	IGAT	The agency will verify that the report meets all the specified criteria.	Non-scalable; €8,524,000 by December 31, 2024

Note: The proposed dates of achievement for the DLRs are not legally binding.



### ANNEX 3. TECHNICAL ASSESSMENT

#### A. Strategic relevance

1. **The proposed Program is strategically relevant since improving ECD outcomes would dramatically improve human capital in Morocco and address many of the current and future constraints to economic and social development.**<sup>60</sup> Children’s experiences in their early years build the foundation for future learning, behavior and health, while the strength of early foundations affects the formation of skills that determine outcomes later in life. During children’s first five years of life, the brain is highly malleable and matures faster than at any other time.<sup>61</sup> Positive or negative experience during this period has implications for well-being, school readiness, and later success in life.<sup>62</sup> ECD programs can have important impacts on reducing youth risk-taking behavior such as early pregnancy, criminal activity, violence and substance use.<sup>63</sup> The relevance of ECD will only increase given massive changes in the nature of work expected to result from technological advances (Box 3).

#### Box 3: ECD and the Changing Nature of Work

**The World Development Report 2019 pointed to the fundamental shifts due to the changing nature of work and the growing importance of skills best acquired during early childhood.** Economies around the world are in the middle of a technological transformation that changes the traditional nature of work. Technology is disrupting production processes and changing how people work. Changes show up not just through new jobs replacing old jobs, but also through the need for new skills profiles of existing jobs.

**Technology is also changing the skills being rewarded in the labor market.** The premium is rising for skills that cannot be replaced by robots. While the demand for routine job-specific skills is declining, the demand is rising for non-routine advanced cognitive skills such as critical thinking, socioemotional skills such as managing and recognizing emotions that enhance teamwork, and skills combination associated with greater adaptability. Workers with these skills are more adaptable in labor markets.

**The most effective way to prepare individuals for the changing nature of work is to start early.** Early childhood investments efficiently produce skills that are relevant to a child’s future. Learning is cumulative—skills acquired at an earlier stage facilitate skills formation in subsequent stages. The returns to early investments are the highest of those made over the life span, and the advantages conferred by these investments grow over time. They also make future skills acquisition more resilient to uncertainty.

<sup>60</sup> Carneiro and Heckman 2003; Cunha and Heckman 2007; Cunha et al. 2005; Heckman 2006.

<sup>61</sup> Young 2002; Young and Mustard 2007

<sup>62</sup> Shonkoff and Phillips 2000.

<sup>63</sup> Mustard, Young and Dunkelberg 2006.



**B. Technical soundness**

2. **The technical design and focus of the Program draw on strong evidence and global best practices.** Global knowledge emphasizes that the early years, or first 1,000 days of life- from conception, through pregnancy and birth, the newborn period, infancy, and transition to primary school – is a pivotal period of development. By promoting access and quality of integrated ECD services with a view to increasing Morocco’s human capital index (HCI), the proposed Program echoes the key messages from the 2018 and 2019 World Development Reports (Report No. 120299 and No. 130189) and from the 2018 “Expectations and Aspirations: A New Framework for Education in MENA” Report (Report No. 131974). It is aligned with the Bank’s “Investing in the Early Years” framework and is a strong example of operationalizing the WBG’s Human Capital Project at the country level. Key literature is summarized in Table 12.

**Table 12: Selected key literature on ECD**

Health and nutrition	
Consequences of maternal and child malnutrition	
Black RE et al, 2008 <sup>64</sup>	<p>Analysis of the burden of disease attributable to maternal and child undernutrition in the Africa, Asia, and Latin America regions showed that:</p> <ul style="list-style-type: none"> <li>• Maternal and child undernutrition is the underlying cause of 35% of the disease burden in children younger than 5 years and 11% of total global Disability Adjusted Life Years (DALYs).</li> <li>• Suboptimum breastfeeding, especially non-exclusive breastfeeding in the first 6 months of life results in 10% of disease burden in children younger than 5 years.</li> <li>• Maternal short stature and iron deficiency anemia increase the risk of death of the mother at delivery, accounting for at least 20% of maternal mortality.</li> </ul>
Victora CG et al, 2008 <sup>65</sup>	<p>Analysis of data from Brazil, Guatemala, India, the Philippines, South Africa and other LMICs countries showed that:</p> <ul style="list-style-type: none"> <li>• Poor fetal growth or stunting in the first 2 years of life may lead to irreversible damage, including lower attained schooling, reduced adult income, and decreased offspring birthweight.</li> <li>• Children who are undernourished in the first 2 years of life and who put on weight rapidly later in childhood and in adolescence may be at high risk of nutrition-related chronic diseases later in life.</li> </ul> <p>The prevention of maternal and child undernutrition is a long-term investment that can benefit the present generation and their offspring.</p>
Burke RM, Leon JS &	<p>Iron deficiency in pregnant and lactating women:</p> <ul style="list-style-type: none"> <li>• may cause anemia, associated with weakness, fatigue, reduced cognitive performance and diminished immune response.</li> </ul>

<sup>64</sup> Black, R. E., Allen, L. H., Bhutta, Z. A., Caulfield, L. E., Onis, M. de, Ezzati, M., Mathers, C., & Rivera, J. (2008). Maternal and child undernutrition: Global and regional exposures and health consequences. *The Lancet*, 371(9608), 243–260. [https://doi.org/10.1016/S0140-6736\(07\)61690-0](https://doi.org/10.1016/S0140-6736(07)61690-0)

<sup>65</sup> Victora, C. G., Adair, L., Fall, C., Hallal, P. C., Martorell, R., Richter, L., & Sachdev, H. S. (2008). Maternal and child undernutrition: Consequences for adult health and human capital. *Lancet*, 371(9609), 340–357. [https://doi.org/10.1016/S0140-6736\(07\)61692-4](https://doi.org/10.1016/S0140-6736(07)61692-4)



Suchdev PS, 2014 <sup>66</sup>	<ul style="list-style-type: none"> <li>• may increase the risk of delivery complications and perinatal maternal mortality, is a risk factor for preterm delivery, small-for-gestational-age and neonatal mortality.</li> <li>• maternal iron deficiency has been associated with cognitive and behavioral deficits and subsequent iron deficiency in the infant.</li> </ul> <p>Iron deficiency in Infants 0-2 years:</p> <ul style="list-style-type: none"> <li>• Low birth iron stores have been associated with both iron deficiency and with increased risk of cognitive and psychomotor developmental deficits later in infancy.</li> <li>• Iron deficiency that develops later in infancy and leads to iron deficiency anemia has similarly been associated with impaired cognitive, behavioral and motor development.</li> </ul>
WHO, 2017. <sup>67</sup>	Anemia is associated with poor birth outcomes when it occurs in pregnant women (higher risk of maternal and perinatal mortality, low birthweight, premature delivery) and impaired cognitive and motor development outcomes in children. Anemia is associated with increased morbidity and mortality in women and children, and thus has significant consequences for human health as well as social and economic development. Iron deficiency is considered the most common nutritional deficiency leading to anemia globally.
WHO, 2013.	Iodine deficiency is the world’s most prevalent, yet easily preventable, cause of brain damage in childhood. It results in impaired cognitive and motor development which affects a child’s intellectual capacity at home and school.
<b>Evidence-based interventions to improve maternal and child nutrition</b>	
Bhutta ZA et al. 2008. <sup>68</sup>	<ul style="list-style-type: none"> <li>• Improvement of complementary feeding through strategies such as counselling about nutrition for food-secure populations and nutrition counselling, food supplements, conditional cash transfers, or a combination of these, in food-insecure populations could substantially reduce stunting and related burden of disease.</li> <li>• Interventions to improve maternal nutrition (supplements of iron folate, multiple micronutrients, calcium, and balanced energy and protein) can improve outcomes for maternal health and births.</li> </ul>
Bhutta ZA et al. 2013. <sup>69</sup>	<p>The study presents modeling analyses in 34 countries with the majority of the global burden of child stunting. Findings suggested that if a set of ten core nutrition interventions across the lifecycle to address undernutrition and micronutrient deficiencies in women and children (maternal supplementation, infant and young child feeding practices, management of acute malnutrition) were scaled up to 90% coverage:</p> <ul style="list-style-type: none"> <li>• Nearly 15% of deaths of children younger than 5 years can be reduced.</li> <li>• Stunting can be reduced by 20-3%, and severe wasting can be reduced by 61-4%.</li> <li>• The interventions with the largest potential effect on mortality in children younger than 5 years are management of SAM, preventive zinc supplementation, and promotion of breastfeeding.</li> </ul>

<sup>66</sup> Burke, R. M., Leon, J. S., & Suchdev, P. S. (2014). Identification, Prevention and Treatment of Iron Deficiency during the First 1000 Days. *Nutrients*, 6(10), 4093–4114. <https://doi.org/10.3390/nu6104093>

<sup>67</sup> Nutritional anaemias: tools for effective prevention and control. Geneva: World Health Organization; 2017

<sup>68</sup> Bhutta, Z. A., Ahmed, T., Black, R. E., Cousens, S., Dewey, K., Giugliani, E., Haider, B. A., Kirkwood, B., Morris, S. S., Sachdev, H., & Shekar, M. (2008). What works? Interventions for maternal and child undernutrition and survival. *The Lancet*, 371(9610), 417–440. [https://doi.org/10.1016/S0140-6736\(07\)61693-6](https://doi.org/10.1016/S0140-6736(07)61693-6)

<sup>69</sup> Bhutta, Z. A., Das, J. K., Rizvi, A., Gaffey, M. F., Walker, N., Horton, S., Webb, P., Lartey, A., & Black, R. E. (2013). Evidence-based interventions for improvement of maternal and child nutrition: What can be done and at what cost? *The Lancet*, 382(9890), 452–477. [https://doi.org/10.1016/S0140-6736\(13\)60996-4](https://doi.org/10.1016/S0140-6736(13)60996-4)



Kim SS et al. 2016. 70	<ul style="list-style-type: none"> <li>• The study assessed the effects of social and behavior change communication (SBCC) interventions on IYCF practices and anthropometry in 4 regions of Ethiopia.</li> <li>• Results showed that exposure to SBCC interventions was significantly and plausibly associated with improved IYCF practices including early breastfeeding initiation, exclusive breastfeeding, timely introduction of complementary foods, minimum dietary diversity, minimum meal frequency, minimum acceptable diet, and consumption of iron-rich foods.</li> </ul>
Rawat R et al. 2017. 71	<ul style="list-style-type: none"> <li>• The study evaluated the impact of enhanced interpersonal counseling (IPC), a national mass media (MM) campaign and community mobilization (CM) (intensive) compared with standard IPC + less-intensive MM and CM (Non intensive) on complementary feeding practices and anthropometric indicators in Vietnam.</li> <li>• Results showed that, when combined with MM and CM, an at-scale social franchising approach to improve IPC, delivered through the existing healthcare system, significantly improved complementary feeding practices among mothers who used counseling services at least once.</li> </ul>
Lassi ZS et al. 2020. 72	<p>A review of 66 studies in LMICs showed that:</p> <ul style="list-style-type: none"> <li>• Breastfeeding education interventions showed 20% increase in rates of early initiation of breastfeeding, 102% increase in exclusive breastfeeding (EBF) at 3 months and 53% increase in EBF at 6 months and 24% decreases in diarrheal diseases.</li> <li>• Complementary feeding education intervention showed a 0.41 standard deviation (SD) increase in WAZ, and 0.25 SD in HAZ in food secure setting.</li> <li>• Complementary food provision with or without education (n=17) showed a 0.14 SD increase in HAZ and 36% decrease in stunting.</li> <li>• Supplementary food interventions showed a significant 0.15 SD increase in WHZ.</li> <li>• Breastfeeding education is effective in improving breastfeeding practices.</li> <li>• Supplementation interventions are effective in improving growth.</li> </ul>
<b>Education</b>	
<b>Benefits of attending quality ECE – international evidence</b>	
WDR 2019 (World Bank, 2017)	The acquisition of foundational skills through early stimulation and preprimary education is important for developing advanced skills required in a labor market where increased automation and adoption of new technologies are changing the nature of work and the types of skills required, such as advanced cognitive skills, socio-behavioral skills and adaptability.
WDR 2018 (World Bank, 2018)	The lack of prepared and motivated learners is one of the key school-level factors contributing to the learning crisis in the world. ECE programs targeting children ages 3-6 can foster foundational skills, boost children’s ability to learn and make them ready for school.

<sup>70</sup> Kim, S. S., Rawat, R., Mwangi, E. M., Tesfaye, R., Abebe, Y., Baker, J., Frongillo, E. A., Ruel, M. T., & Menon, P. (2016). Exposure to Large-Scale Social and Behavior Change Communication Interventions Is Associated with Improvements in Infant and Young Child Feeding Practices in Ethiopia. *PLOS ONE*, 11(10), e0164800. <https://doi.org/10.1371/journal.pone.0164800>

<sup>71</sup> Rawat, R., Nguyen, P. H., Tran, L. M., Hajebehoy, N., Nguyen, H. V., Baker, J., Frongillo, E. A., Ruel, M. T., & Menon, P. (2017). Social Franchising and a Nationwide Mass Media Campaign Increased the Prevalence of Adequate Complementary Feeding in Vietnam: A Cluster-Randomized Program Evaluation. *The Journal of Nutrition*, 147(4), 670–679. <https://doi.org/10.3945/jn.116.243907>

<sup>72</sup> Lassi, Z. S., Rind, F., Irfan, O., Hadi, R., Das, J. K., & Bhutta, Z. A. (2020). Impact of Infant and Young Child Feeding (IYCF) Nutrition Interventions on Breastfeeding Practices, Growth and Mortality in Low- and Middle-Income Countries: Systematic Review. *Nutrients*, 12(3), 722. <https://doi.org/10.3390/nu12030722>



2018 MENA Education Flagship Report	MENA has not invested sufficiently in ECD and many children come to school unprepared to learn. Countries should accelerate expansion of access to high-quality preprimary education and measure child development outcomes and learning environment to identify drivers of ECE quality in their respective contexts.
Garcia, Powers & Devercelli (forthcoming)	Children enrolled in ECE for more than a year tend to score 82.6 points higher in math and 66.7 points higher in reading. A standard deviation is 100, so these are very substantial score differences. The difference of 82.6 points is equivalent to 2.75 more years of schooling.
OECD 2006	A significant body of research emphasizes that the benefits of high-quality early childhood education and care are important for all children’s outcomes, with evidence especially strong for disadvantaged children.
<b>Benefits of attending quality ECE – Moroccan evidence</b>	
Morocco SDI 2016	Moroccan children who attended preschool tend to have better learning outcomes in primary school than those children who did not receive preprimary education.
TIMSS 2019	<ul style="list-style-type: none"> <li>Morocco’s overall score (7.9) in early stimulation activities (as measured by the early literacy and numeracy activities scale) is by far the lowest among all TIMSS participating countries.</li> <li>We observe a strong association in Morocco between receiving the combined ECD interventions and 4th grade mathematics and science performance.</li> </ul>
PISA 2018	<ul style="list-style-type: none"> <li>The performance of Moroccan students who completed more than one year of preschool is equivalent of 1.5 school years ahead of those with no preschool education.</li> </ul>
<b>Determinants of the quality of ECE</b>	
(Garcia, Heckman, & Ziff, 2017) Britto, Yoshikawa and Boller, 2011 <sup>73</sup> Howes et al., 2008 <sup>74</sup>	A growing body of research suggests that the magnitude of the benefits to children of attending ECE depends on the level of quality of services and that low-quality ECE can be associated with no benefits or even with detrimental effects on children’s development and learning.
(Pianta et al., 2005 <sup>75</sup> ; Slot et al., 2017 <sup>76</sup> ; Thomason and La Paro, 2009; Howes et al., 2008).	Definitions of the quality of ECE often distinguish between two aspects: structural quality and process quality. Structural aspects of quality refer to characteristics of the Early Childhood Education and Care (ECEC) environment, such as the number of children per staff member, group size, workforce education and training, staff turnover and programme monitoring. Process quality comprises children’s interactions in ECE settings with other children, staff/teachers, space and materials, their families and the wider community.
Pianta, Downer and Hamre, 2016	There is a growing consensus that process quality is closely related to children’s development and learning.

<sup>73</sup> Britto, P., H. Yoshikawa and K. Boller (2011), “Quality of early childhood development programs in global contexts: Rationale for investment, conceptual framework and implications for equity”, *Social Policy Report*, Vol. 25/2, pp. 1-31.

<sup>74</sup> Howes, C. et al. (2008), “Ready to learn? Children’s pre-academic achievement in pre- Kindergarten programs”, *Early Childhood Research Quarterly*, Vol. 23/1, pp. 27-50, <http://dx.doi.org/10.1016/j.ecresq.2007.05.002>.

<sup>75</sup> Pianta, R. et al. (2005), “Features of Pre-Kindergarten programs, classrooms, and teachers: Do they predict observed classroom quality and child-teacher interactions?”, *Applied Developmental Science*, Vol. 9/3, pp. 144-159, [http://dx.doi.org/10.1207/s1532480xads0903\\_2](http://dx.doi.org/10.1207/s1532480xads0903_2).

<sup>76</sup> Slot, P. et al. (2017), “Measurement properties of the CLASS Toddler in ECEC in the Netherlands”, *Journal of Applied Developmental Psychology*, Vol. 48, pp. 79-91, <http://dx.doi.org/10.1016/j.appdev.2016.11.008>.



Sim et al., 2019 <sup>77</sup>	Centre characteristics, such as the number of staff per child, the level of staff qualifications, the features of the centre location and working conditions for staff are important preconditions for fostering child development in ECEC settings. The literature suggests that these structural features of centres may have indirect links to children’s development and learning by affecting the quality of the interactions between staff and children in a dynamic reciprocal process.
(Anders, 2015[9]; Barros et al., 2016[10]; Ghazvini and Mullis, 2010[11]; Howes et al., 2008[4]; Slot et al., 2015 <sup>78</sup> ).	ECE settings are considered of high quality if they encourage children in their everyday experience to engage in a variety of activities with staff and other children (peer interactions) that foster their learning, development and well-being. These activities involve social, emotional, physical and instructional aspects, while building on play and routines
Barrett, Davies, Zhang et Barrett, 2017 <sup>79</sup>	Environmental and design elements of school infrastructure together explained 16 percent of variation in primary students’ academic progress. This research shows that the design of education infrastructure affects learning through three interrelated factors: naturalness (e.g. light, air quality), stimulation (e.g. complexity, color), and individualization (e.g. flexibility of the learning space).
<b>Importance of ECE staff – child interactions</b>	
OECD 2018	<ul style="list-style-type: none"> <li>The evidence shows that, with more positive staff-child interactions or staff providing higher quality or more exposure to developmental and educational activities, children have higher levels of emerging literacy and numeracy skills in ECE settings, as well as better behavioral and social skills.</li> <li>Professional development or in-service training for ECE staff is related to both better process quality and stronger learning and development for children.</li> </ul>
Kluczniok et al., 2014 <sup>80</sup> ; Shuey and Kankaraš, 2018 <sup>81</sup>	<ul style="list-style-type: none"> <li>Back-and-forth exchanges between staff and children in literacy and numeracy, along with sharing interesting and creative hands-on materials, may increase children’s engagement with staff, facilitate behavioral and emotional regulation and improve children’s well-being.</li> </ul>
Sim et al., 2019	<ul style="list-style-type: none"> <li>Practices that provide emotional support to children also help children learn and reduce stress associated with the time they spend in childcare settings.</li> </ul>
Loeb et al., 2004 <sup>82</sup> Moon and Burbank,	<ul style="list-style-type: none"> <li>Stability in care has also been found to be strongly and consistently positively related to child outcomes. High turnover rates disrupt the continuity of care, and hinder staff’s abilities to provide safe, healthy and good learning environments for children, which in</li> </ul>

<sup>77</sup> Sim, M. et al. (2019), “Starting Strong Teaching and Learning International Survey 2018 Conceptual Framework”, *OECD Education Working Papers*, No. 197, OECD Publishing, Paris, <https://dx.doi.org/10.1787/106b1c42-en>.

<sup>78</sup> Slot, P. et al. (2015), “Associations between structural quality aspects and process quality in Dutch early childhood education and care settings”, *Early Childhood Research Quarterly*, Vol. 33, pp. 64-76, <http://dx.doi.org/10.1016/j.ecresq.2015.06.001>.

<sup>79</sup>Barrett, Davies, Zhang et Barrett, 2017. The Holistic Impact of Classroom Spaces on Learning in Specific subjects. *Environment and Behavior*, 49(4), 425-451.

<sup>80</sup> Kluczniok, K. et al. (2014), “Influences of an academically oriented preschool curriculum on the development of children - are there negative consequences for the children’s socio-emotional competencies?”, *Early Child Development and Care*, Vol. 4430/January 2018, <http://dx.doi.org/10.1080/03004430.2014.924512>.

<sup>81</sup> Shuey, E. and M. Kankaraš (2018), “The Power and Promise of Early Learning”, *OECD Education Working Papers*, No. 186, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9b2e53f-en>.

<sup>82</sup> Loeb, S. et al. (2004), “Child care in poor communities: Early learning effects of type, quality and stability”, *Child Development*, Vol. 75/1, pp. 47 – 65, <https://doi.org/10.1111/j.1467-8624.2004.00653.x>.



2004 <sup>83</sup> ; Whitebook, Howes and Phillips, 1990 <sup>84</sup>	turn leads to poorer child outcomes. Centres with low staff turnover rates have staff that engage in more appropriate and attentive interactions with children, while children in centres with high turnover rates spend less time engaged in meaningful activities.
Slot, 2018 <sup>85</sup>	<ul style="list-style-type: none"> <li>Structural aspects of quality can affect the interactions between staff and children, although they do not guarantee the quality of these interactions. In particular, several studies indicate that smaller group sizes and child-staff ratios support staff-child interactions, both in centres for children aged 3-5 and in centres for children under 3 years of age.</li> </ul>
Fukkink, 2011; OECD, 2012	<ul style="list-style-type: none"> <li>The literature indicates that the quality of staff and their pedagogical activities have a large impact on children’s well-being and development. It also suggests that the effective monitoring of staff quality is central to their professional development and improvement of early childhood education and care services.</li> </ul>
Litjens, 2013	<ul style="list-style-type: none"> <li>Overall, research supports the idea that monitoring, and evaluation contributes to improvements in the quality of ECE services. The results from monitoring child development can foster staff interactions with children and facilitate the adaptation of curricula and standards to meet children’s needs.</li> </ul>

3. **The Program has been designed to contribute substantively to the attainment of key results identified in the Government program and reach the objective of improved access and quality of select services that promote early childhood development in rural areas of Morocco.** It does so by focusing on a holistic set of interventions that target the health, nutrition and education of young children and their families. Result areas were defined so as to encompass both sectoral interventions as well as cross-cutting elements of implementation that will enhance the likelihood of success, namely governance and monitoring and evaluation.
4. **RA 1 is centered around a set of health, nutrition and education services for young children and their families.** Delivering these services to children in the target areas would lead to significant improvement in ECD outcomes, and reduction of vulnerability and inequality. RA 2 focuses on the approach and methods that will guide implementation and will ensure that activities translate into results. The two Results Areas complement each other with RA 1 focused on the “what” and RA 2 focused on the “how”. This dual approach is highly desirable in the Moroccan context where a large implementation gap can sometimes lead to limited impact of planned activities.

<sup>83</sup> Moon, J. and J. Burbank (2004), *The Early Childhood Education Career and Wage Ladder: A model for improving quality in early learning and care programs*, Economic Opportunity Institute, <http://www.opportunityinstitute.org/wp-content/uploads/earlylearning/ECELadderRecognizeRewardECETeacher-Apr01.pdf>.

<sup>84</sup> Whitebook, M., C. Howes and D. Phillips (1990), *Who Cares? Child Care Teachers and Quality of Care in America. Final Report of the National Staffing Study*, Child Care Employee Project, Oakland, CA.

<sup>85</sup> Slot, P. (2018), “Structural characteristics and process quality in early childhood education and care: A literature review”, *OECD Education Working Papers*, No. 176, OECD Publishing, Paris, <https://dx.doi.org/10.1787/edaf3793-en>.



***Results Area 1: Improving access to quality ECD services in rural areas.***

5. **Global evidence suggests a strong link between children’s adequate nutrition and stimulation during the first 1,000 days – from conception to age 2 – and their chance of surviving and thriving.** Child malnutrition is an underlying cause of up to 45 percent of under-5 deaths globally and has emerged as one of the key markers of poverty and vulnerability as well as a major challenge in ensuring optimal accumulation of human capital. Stunting, a manifestation of chronic malnutrition, is associated not only with increased risk of illness and death, but also with poor cognitive development, lower educational attainment, lower productivity, wages, and income in adulthood. Iodine deficiency during gestation and in early childhood results in a loss of an average of 13 intelligence quotient (IQ) points; anemia in the early years causes similar levels of IQ losses. Stunting costs countries in Africa and Asia between 4 and 11 percent of GDP annually. Child stunting and micronutrient deficiencies are a result of inadequate food intake (both in terms of quantity and quality), of repeated and untreated infections, such as diarrhea, acute respiratory illness, or malaria, and of poor birth outcomes, when children are born pre-term or small for gestational age. These in turn result from inadequate access to key maternal and child health services, inappropriate feeding practices, low availability and low diversity of foods, low incomes, poor health and nutrition status of mothers and, more generally, low level of maternal education and low status of women in households and communities.
  
6. **While Morocco has, over the last decades, reduced the risks of women dying during pregnancy and improved survival rates for children under 5 as well as reduced child stunting rates considerably, child stunting and maternal and child micronutrient deficiencies remain high in rural areas.** Other urban-rural disparities also exist. The maternal mortality ratio in rural areas is more than two times higher than in urban areas (111 versus 45 deaths per 100,000 live births) and child mortality is 38 percent higher in rural areas compared to urban areas. These inequities in maternal and child health outcomes reflect inequities in access to and in quality of healthcare services. Almost all (97 percent) children nationally are breastfed but only 35 percent are exclusively breastfed during the first 6 months. Although there is no difference in percentage of exclusive breastfeeding between urban and rural areas, there are large disparities between regions, with only 20.4 percent in Tanger-Tetouan-AlHoceima versus 50.8 percent in Oriental (ENPSF 2018). This gap in exclusive breastfeeding as well as important deficiencies in the quality and frequency of complementary feeding in the 6–24-month period of a child’s life point to a need for more intense actions to improve key behaviors. Three-quarter of children under 5 (75 percent) are at risk of cognitive impairment because it is estimated that only 25 percent of households in Morocco consume iodized salt (Zahidi, 2016), and a third of children under 5 years are at further risk of cognitive impairment caused by anemia (WDI 2016). Stunting affects one in 5 (20.5 percent) children in rural areas, with some regions reaching 30 percent (ENPSF 2018).
  
7. **Delivering interventions for pregnant women and children at the community-level has proven to have significant impact, while also being cost-effective.** In Bangladesh, community health workers improved the utilization of micronutrient powders for children, and evidence globally shows the impact of community health workers in reducing severe acute malnutrition; supervision and financial recognition were significant positive contributors to impact. Similarly, children who received home visits by



community workers (ASHA) in India saw declines of 15 percent for severe and 6 percent for moderate malnutrition in India – a few years ago, the implementation of a home-based neonatal care package in rural India was found to be cost-effective. A recent study from Guatemala shows that quality improvement interventions (e.g., audit, feedback, work checklists, performance dashboards) was associated with a reduction of stunting from 42 to 31 percent. A systematic review shows that community health worker interventions can improve equity for maternal and newborn health mainly through home visits and participatory women’s groups. However, while Morocco has had some experience with Dar Al Oumoumas, their quality has been variable and the country currently does not have an integrated community health system that includes health facilities, maternal waiting centers and extension workers.

8. **An important dimension of the health and nutrition challenge in Morocco is the poor availability of data in a timely manner** and at a level such that enables planning tailored to the particular challenges of a specific catchment area (e.g., the regional variations in exclusive breastfeeding rates mentioned earlier). There are also some aspects of malnutrition that have not been consistently assessed across the country in a very long time, including on areas that matter for brain development such as micronutrient deficiencies.
  
9. **Inappropriate feeding behaviors and practices can be improved through the infant and young child feeding interventions (IYCF) delivered at the community level and through health facilities** (see Bhutta et al. 2013 for a review). The impact of IYCF interventions on child stunting can be increased through social and behavior change campaigns using multiple channels ranging from community mobilization through national media campaigns (as demonstrated by the recent experiences of the Alive and Thrive initiative in Ethiopia, Bangladesh, and Vietnam). (See for example Kim et al. 2016; Nguyen et al. 2017; Rawat et al. 2017). A package of interventions delivered through the health system and targeting pregnant and lactating women and children under the age of 5 is also very effective in improving health and nutrition status of children and reducing the risk of stunting. This package includes antenatal care and micronutrient supplementation for pregnant women, postnatal care for women and children, micronutrient supplementation and deworming for children, immunization, and integrated management of childhood illnesses. (For a review, see the 2013 Lancet series on maternal and child nutrition; for a summary, see Shekar, Kakietek, Dayton, Eberwien, and Walters 2017). The key determinants of suboptimal birth outcomes which increase the risk of stunting can be improved by periconceptual micronutrient supplementation and by promotion and provision of family planning and modern contraceptive methods. Cash transfers have been shown to increase household purchasing power and improve household food consumption. Several studies from Sub-Saharan Africa show that cash transfer programs are effective in improving not only food security but also dietary diversity (Case 2004; Handa, Seidenfeld, Tembo, Prencipe, and Peterman 2013; Miller and Tsoka 2008; OPM 2013; Berhane et al. 2015; OPM 2014; OPM 2015; Soares and Teixeira 2010). There is also evidence that they improve access to health services for pregnant women, mothers, and children (Adato and Bassett 2009). Given the underlying gender barriers to care-seeking as well as to household level behavior change, it is critical to include men and other decision-makers in the household in any behavior change strategy.



10. **Despite the progress made in primary healthcare, the MoH, aware of the need to overhaul the Moroccan health system to improve basic health coverage and reduce health inequalities, has defined the Health Plan 2025 “Plan Santé 2025”.** The plan includes a focus on maternal and child improved nutrition. Morocco’s national nutrition strategy has three focus areas: (a) early detection and management of nutritional disorders in women and children by being part of the continuum of care; (b) prevention and fight against micronutrient deficiencies (supplementation and fortification); and (c) promotion of nutrition during the life cycle, in particular by promoting and supporting the practice of breastfeeding, communication/ education and advocacy with the relevant stakeholders.
11. **Access to core maternal and child services has improved considerably in Morocco over the last few decades but remains too low in rural areas.** For instance, while 96 percent of women in urban areas give birth in a health facility, the proportion is only 73.4 percent in rural areas. 81.6 percent of women in urban areas took an iron supplement during pregnancy versus 63.3 percent in rural areas (ENPSF 2018). 48.6 percent of pregnant women in rural areas had 4+ prenatal care visits versus 69 percent of pregnant women in urban areas (ENPSF 2018). Given the absence of large-scale and sustained behavior change campaigns on nutrition, the ante-natal visit and the assisted delivery are critical points during which counseling on key behaviors (e.g., breastfeeding) can take place. However, too many rural women do not currently avail of those services and it is unlikely that this counseling currently occurs in a consistently high-quality manner in health facilities.
12. **The INDH Phase 3 has recognized the gap in health and nutrition services in rural areas and is in the process of strengthening its role to support rural households to improve key nutrition-related behaviors and to improve access to health and nutrition services provided in health facilities.** A tri-partite agreement has been signed between the INDH, the Ministry of Health and UNICEF to define the parameters of the community-based approaches that would include: (a) ensuring a minimum quality standard as well as expanded provision of the services of maternal waiting centers (Dar al Oumouma); (b) developing a cadre of community health workers; and (c) facilitating linkages between the community outreach and the health centers to enable better utilization of health services. Once this community-based system has been defined, it will be scaled-up in rural areas during the latter years of the INDH3 program.
13. **INDH is currently also designing its comprehensive, data-driven behavior change campaign to improve priority nutrition behaviors.** This campaign will be anchored in international evidence which would point to the need for a combination of: (a) use of mass media to disseminate key messages and address social norms that create barriers to behavior change; (b) interpersonal communication through the community based system which is being developed as previously explained, to tailor counseling to specific needs of households and individuals; (c) advocacy to mobilize community leaders, which is a strength of INDH given that it is housed within the MI; and (d) nimble use of data to define and closely track the implementation of the campaign with a view to making the adjustments that will inevitably be required. The data needs of the information campaign would be met through the INDH monitoring system which is being developed and would be supported through DLI #5.



14. **These actions from the INDH and the MoH are taking place against a backdrop of a major reform of the social protection system in Morocco**, announced in a speech by the King in July 2020, which aims for universalization of non-contributory health insurance, to reduce financial barriers to access healthcare, as well as the development of a family allowance program that would reduce other demand side barriers for women and children. While these reforms are not under the purview of the INDH3 program and they will be scaled up in the next few years, starting with initial piloting of these demand-side social protection interventions is expected to take place in some rural areas and would complement the behavior change communication campaign. INDH will explore the possibility of piloting and evaluating approaches that create linkages between the activities of the INDH3 program and these social protection reforms, with a view to informing the design of possible future phases of INDH.
  
15. **Climate adaptation and mitigation impact:** By using a combination of diffusion mechanisms, the **behavior change campaign** directly contributes to the health and well-being of expecting and new mothers to minimize the negative effects of climate-related shocks. This will be achieved by promoting changes to nutritional practices for themselves and their newborns, such as ensuring sufficient iron intake during pregnancy and stressing the importance of a balanced/healthy and sustainable diet. The campaign would also stress the benefits of breastfeeding, which positively impacts a newborn's immune system and strengthens her/his ability to fight diseases and withstand shocks, including those resulting from a climate-related disaster or vector-borne diseases. The behavior change campaign would also raise awareness about more sustainable and climate-friendly practices. These would be included as part of DLR 1.2a proposed implementation plans and include messages such as: (a) using a diet that reduces the amount and/or frequency of red meat and increases the intake of plant-based protein; (b) cultivation of crops that are drought-resistant and increase yields; and (c) applying clean energy-based cooking practices to reduce pollution and smoke intoxication. These aspects are especially critical to fight the adverse effects of climate change on these vulnerable populations and is an innovative addition to the initial behavior change strategy and implementation plans. For instance, studies show that climate change is already affecting nutrition security through different causal pathways that impact food security, livelihoods, household food access, maternal and childcare, health, water and sanitation, and many socioeconomic factors that determine nutrition security<sup>86</sup>. Another recent study showed that continuing current diet practices will significantly increase healthcare costs due to higher numbers of non-communicable disease patients. As a result, the care imparted on these patients is likely to use fossil-fuel powered energy and generate solid waste, which could be reduced or avoided if diet practices had changed. A change in dietary practices towards more vegetable consumption would also positively contribute to greenhouse gas (GHG) emission reduction<sup>87</sup>. The government had not initially considered these links but consequently agreed to consider including messaging that links behavior changes (including sustainable diets) to impacts on climate change. Lastly, reaching beneficiaries via already-existing channels such as television, radio and mobile devices would also reduce the need for individuals to drive to remote areas and reduce pollution and CO2 emissions. The involvement of local influencers to disseminate and reinforce the behavior change messaging further reduces the distances needing to be traveled to reach beneficiaries using fossil-fuel powered vehicles. The training of the proposed 120

<sup>86</sup> <https://journals.sagepub.com/doi/pdf/10.1177/156482651303400415>

<sup>87</sup> [https://docs.wfp.org/api/documents/WFP-0000117812/download/?\\_ga=2.57092259.826484770.1614036142-240778792.1614036142](https://docs.wfp.org/api/documents/WFP-0000117812/download/?_ga=2.57092259.826484770.1614036142-240778792.1614036142)



territorial actors to be mobilized under DLR 1.2c would include specifically how current behaviors are linked to climate change and exacerbate target populations' vulnerability. This would benefit the 7 million beneficiary people targeted under DLR 1.3a.

16. In terms of **community-based health and nutrition services**, through DLRs 2.0, 2.1 and 2.2, the Program will support the development, testing and scaling up of strategies for a model to facilitate access to community-based health and nutrition services, which are based on existing government climate-conscientious quality standards. As such, the proposed model and strategy will also be informed by data on water scarcity in Program areas due to climate change or information on disease outbreaks as a result of changes in weather patterns so that they respond to area-specific characteristics, including climate-change related aspects. Consequently, they would also have a spill-over effect into national policy on service delivery in rural areas taking into consideration (amongst other things) climate-related factors. Similarly, improved access to Dar Al Oumoumas and direct access of households to some health and nutrition services through the community health workers is expected to reduce the need for transportation, thereby reducing CO2 emissions. Improved quality standards already used for the purposes of the Program, include climate change considerations of healthcare structures and workers. For instance, the potential impact of extreme temperature and floods is considered under the Program's support to building Dar Al Oumoumas using historic weather and heat patterns, or occurrences of natural disasters. Consequently, the Program supports design features that consider optimizing natural cooling and adequate water systems to prevent damage such as cracking and fissuring of physical infrastructure and service disruption at Dar Al Oumoumas due to climate change. New appliances and equipment will be energy efficient. Construction will use climate-proof, energy efficient designs and materials to reduce energy consumption/use of renewable energy during heatwaves, such as installation of solar panels and allowing cross-breezes, and increase the ability to withstand adverse weather conditions. Age-appropriate signage will be installed to stress environment-friendly practices such as conserving energy and water in Dar Al Oumoumas to raise awareness. Improved solid waste management (including safeguarding against flooding) would also be considered under the building quality standards to be more resilient in the event of a natural disaster. Through DLR 2.3, the Program measures the increased availability of quality community-based health and nutrition services for women and children, which will strengthen the readiness of the service delivery system in rural areas to respond to different types of shocks, including disease patterns that may emerge due to climate change (e.g., heat waves, floods, etc.). The new services being informed by the climate change considerations, developed and rolled out under DLRs 2.0-2.2 represent a new approach to delivering community-based health and nutrition services. It would also support better trained and qualified healthcare workers, promoting training in disaster risk management, to be effective even during and after a climate-related disaster, which affect rural areas disproportionately and which also coincides with the Program's target areas. Absent this increase in service availability at the community-level, rural populations—who are the most vulnerable to climate hazards and to health risks imposed by these hazards—would likely be the last ones to be reached with adequate healthcare. As mentioned above, bringing healthcare services closer to beneficiaries will also reduce vulnerability to climate change by: (a) reducing distance and travel time especially during adverse weather conditions; and (b) minimizing hazardous environments following adverse weather (flooding, landslides etc.).



- 17. **The data gaps outlined above will be addressed by the government through DLIs 5 and 6** which will put in place an integrated monitoring system and will also incentivize the development of a cascade of governance mechanisms starting from the local level. These are described in more detail in subsequent sections.

Table 13: Rationale for DLIs #1 and #2

DLI	Why it matters
<p><b>DLI #1 – Design and implementation of a behavior change campaign for early childhood nutrition</b></p>	<ul style="list-style-type: none"> <li>• Nutrition programs targeting children from conception to 24 months can improve growth, cognitive development, and adaptation capacities to boost children’s abilities and help them enter preschool more ready to learn. Global evidence has converged on a package of key nutrition services, which should be provided to women and children during pregnancy and in the first 24 months of a child’s life to increase their resilience. Most of these interventions involve behavior change by either women, other caretakers, or community actors. Morocco will implement a data-driven and sustainable approach to behavior change.</li> <li>• This DLI will incentivize the Government to develop, test and implement a behavior change communication campaign for nutrition, with a focus on rural areas.</li> <li>• Formative research will identify the key behaviors to target with the campaign (e.g., exclusive breastfeeding, appropriate complementary feeding), and inform the development of a strategy and operational plan to change these behaviors. Human-centered design and testing of the communications tools, as well as regular use of data during implementation will enable course correction as the communications campaign is implemented. International best practice would suggest that the strategy will include the following four approaches: i) advocacy to create an enabling policy environment and to mobilize community influencers; ii) mass media; iii) inter-personal communication with households; and iv) data systems to monitor and course correct as needed. The DLI will incentivize the establishment and use of such a strategy to increase knowledge, improve attitudes and change key behaviors.</li> </ul>
<p><b>DLI #2 – Increased availability of quality community-based health and nutrition services for women and children in rural areas</b></p>	<ul style="list-style-type: none"> <li>• An effective integrated health and nutrition system includes a cascade of services that begins at the community level, where some basic needs are addressed and which facilitates utilization of primary healthcare and, as needed, referral to more complex and costly secondary and tertiary healthcare. However, in rural areas of Morocco, community-based health and nutrition services are not provided in a consistent and high-quality manner. A core community-based health and nutrition package of services has not been defined, nor has the service delivery model including the quality parameters. This absence of effective community outreach leads to lower interaction of poorer households with the healthcare system and subsequent poor health and nutrition outcomes, such as higher maternal mortality and higher child stunting.</li> <li>• This DLI will incentivize the Government to develop a cost-effective system to facilitate household access to health and nutrition services that improve maternal and child health, nutrition and sustainability outcomes.</li> <li>• The development and operationalization of health and nutrition services at the</li> </ul>



	<p>community level begins with a prioritization of a core prioritized package of services as well as the quality standards for their delivery. These parameters will form the basis for the development of a model that will be tested and subsequently for a scaling-up strategy for the services. A monitoring system will enable the tracking of availability and quality of these community-based services as well as satisfaction levels (a dimension of quality) of the beneficiaries.</p>
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18. **A series of strategic documents have guided the development of the education sector.** From the National Charter of Education and Training in 1999, to the education law 51.17 adopted in August 2019 which operationalizes the Education Strategic Vision 2015-2030, all aimed to establish a consensual national pact that builds the foundations to create a new Moroccan school, based on equal opportunity to access quality education for all and promotes individual and social growth. It is within these frameworks that the MoE has made significant financial and human investments, which have subsequently led to considerable progress in terms of access to primary education for most student. This was achieved by improving infrastructure coverage, developing social safety net programs and enhancing the education sector’s monitoring and evaluation system. However, the sector still faces significant challenges, particularly regarding social and location-based inequality, school dropout rates, poor learning outcomes, and inefficiencies in the governance of the sector. The low-level of learning is also the key determinant for Morocco’s HCI of 0.50. In terms of “Learning Poverty”, that is the share of 10-year-olds who are unable to read and comprehend a short story, only 66 percent succeed, which is 10.7 percent below that of other lower-middle-income country averages. A key issue behind the poor learning outcomes in Morocco are the limited access to quality ECE services, especially in rural areas.
  
19. **Global and local evidence shows that early stimulation activities have a positive and decisive impact on child cognitive development and motivation to learn.** The performance of Moroccan students who completed more than one year of preschool is equivalent of 1.5 school years ahead of those with no preschool education (PISA 2018)<sup>88</sup>. Moroccan children who benefitted from preprimary education have indeed significantly better results (10 to 20 percentage points higher on average) in Arabic, French and Mathematics in primary school than children who did not attend preschool (SDI 2016)<sup>89</sup>. Combined ECD interventions are also powerful: Moroccan children who attended pre-primary education and received early stimulation at home often scored substantially higher in 4<sup>th</sup> grade math and science (TIMSS 2019)<sup>90</sup>.
  
20. **Global evidence shows that school infrastructure has a direct impact on access to education and that the structural quality of ECE services has an impact on learning.** School buildings, classrooms, playgrounds and sanitary facilities are essential elements of preschool learning environment. There is a strong evidence that high-quality infrastructure contributes to better teaching and improves child

<sup>88</sup> OECD, 2019. *PISA 2018 Results (Volume 1): What Students Know and Can Do*. Paris: OECD

<sup>89</sup> Observatoire National pour le Développement Humain. 2017. *Enquête sur les indicateurs de prestation de services en éducation (IPSE) au Maroc*. Kingdom of Morocco

<sup>90</sup> IEA’s Trends in International Mathematics and Science Study TIMSS 2019



development outcomes<sup>91</sup>. Structural characteristics of preschool units, such as the number of staff per child, the level of staff qualifications, the features of the preschool location and working conditions for educators are important preconditions for fostering child development. The literature suggests that these structural features of preschools may have indirect links to children’s development and learning by affecting the quality of the interactions between staff and children in a dynamic reciprocal process<sup>92</sup>.

21. **There is a growing consensus that process quality, including staff-child interactions and pedagogical activities, is closely related to children’s development and learning**<sup>93</sup>. Process quality comprises children’s interactions in ECE settings with other children, ECE staff, space and materials, their families and the wider community. The evidence shows that, with more positive staff-child interactions of staff providing higher quality or more exposure to developmental and educational activities, children have higher levels of emerging literacy and numeracy skills in ECEC settings, as well as better behavioral and social skills. Teachers adopting practices that provide emotional support to children help children learn and reduce stress associated with the time they spend in childcare settings. The literature also suggests that the effective monitoring of staff quality is central to their professional development and improvement of ECE services.
22. **Yet, opportunities for early learning in Morocco are still limited and unequal, especially for disadvantaged rural populations.** Morocco’s overall score (7.9) in early stimulation activities is by far the lowest among all TIMSS participating countries and only 13 percent of parents reported engaging frequently with their children in early literacy and numeracy activities at home (TIMSS 2019)<sup>94</sup>. While 42.3 percent of surveyed households in urban areas reported engaging with children under 5 in activities that promote learning and school readiness, such as reading, singing, playing or strolling, this proportion is considerably lower in rural areas, with only 28.7 percent of households reporting doing so, and also decreases when controlling by socio-economic status<sup>95</sup>. In 2019-2020, the national enrollment for children aged 4 and 5 was 71.9 percent, but in rural areas, only 61.8 percent of children benefitted from some form of ECE, half of which in traditional settings. Only 54.5 percent of rural girls attend ECE, compared to 68.8 and 79.6 percent for boys in rural and urban areas respectively.<sup>96</sup> A lower preschool enrollment in rural areas stems from supply and demand-side constraints: the MOE is challenged both logistically and financially to bring ECE services in remote areas with highly dispersed population, but lack of awareness and suboptimal practices in early education among some of the rural populations may also limit children’s participation in early learning opportunities.
23. **Existing ECE services are often missing the key structural and process elements that support the**

<sup>91</sup> Barrett, Davies, Zhang et Barrett, 2017. The Holistic Impact of Classroom Spaces on Learning in Specific subjects. *Environment and Behavior*, 49(4), 425-451.

<sup>92</sup> Sim, M. et al. (2019), “Starting Strong Teaching and Learning International Survey 2018 Conceptual Framework”, *OECD Education Working Papers*, No. 197, OECD Publishing, Paris, <https://dx.doi.org/10.1787/106b1c42-en>.

<sup>93</sup> Pianta, Downer and Hamre, 2016 ; OECD 2018 ; Sim et al., 2019

<sup>94</sup> As measured by the early literacy and numeracy activities scale. 61 percent of parents reported sometimes engaging with their children in these activities and 27 percent of parents reported never or almost never engaging with their children in these early stimulation activities. *IEA’s Trends in International Mathematics and Science Study TIMSS 2019*

<sup>95</sup> ENPSF 2018, 2ème édition, p.124

<sup>96</sup> Ministry of Education, Indicateurs de l’Éducation, 2019-2020



**delivery of high-quality pre-primary education.** Because the sector has grown relatively organically, with limited oversight or coordination until very recently, multiple ECE providers apply various pedagogical models, follow different and sometimes conflicting principles, and unequal standards of quality, leading to wide inequalities in learning experiences in both urban and rural areas. Perhaps the most concerning is the uncertain quality of ECE staff-child interactions. Existing ECE teachers vary widely in their characteristics, from high school graduates to university-level, and in their competencies. Most do not have any basic training in preschool education, and they rarely benefit from in-service continuous professional development. Although different Non-governmental Organizations (NGOs) and associations deliver trainings of various types, there is no common framework, nor is there any kind of quality control of these different offerings. ECE teachers are not included in the civil service status and do not benefit from a clear career advancement plan. They are recruited by associations or private owners and a high turnover is observed due to low salaries and often precarious working conditions. Finally, the MoE has limited institutional and human capacities for management of the preschool subsector and does not have a well-established system for the monitoring, supervision, reporting, and improvement of service delivery, staff quality and child development outcomes.

24. **The GoM recognizes the importance of quality pre-primary education for child development, improved educational achievement, equity, and long-term economic productivity.** Under the patronage of King Mohammed VI, the GoM launched a national program for universalization of preschool in July 2018. This includes the integration of preschool into the primary cycle, a focus on rural and peri urban areas, development of pre- and in-service training for preschool teachers, improving the level of traditional preschool and implementation of a new comprehensive national preschool framework. To achieve their ambitious goal of 100 percent preschool enrollment by 2027, they aim to provide access to an additional 700,000 children, train 28,000 new educators and upskill 27,000 educators already in service. MoE has established a new central unit in charge of pre-primary education in order to coordinate efforts, supervise new activities and monitor progress in the implementation of the national preschool program.
  
25. **MoE has had a good track-record of extending access to pre-primary education with substantial efforts to improve the quality of ECE services.** Between 2017 and 2020, the national preschool enrollment for children aged 4 and 5 rose from 45.3 percent to 71.9 percent nationally, corresponding to an additional 211,000 children enrolled for a total of 910,000 children attending preschool education. This dramatic increase is the result of a broad national mobilization including the contracting of local associations by the MoE and the significant financial contribution of Regional Councils to regional preschool expansion plans. After the *Loi Cadre* adopted in 2019 confirmed its leadership over the preschool curriculum framework, the MoE embarked on a process of developing a new preschool curriculum framework as well as quality standards for preschool settings applicable to all providers, in order to harmonize approaches and raise quality uniformly. A professional competency framework has been developed and adopted by MoE to clarify expectations in terms of profile and desired skills for ECE teachers, which is a first step toward the formation of a cohesive training system able to upskill the ECE workforce. The new quality framework for ECE is yet to be fully disseminated and implemented by all



ECE providers. It is expected that traditional preschool operators will benefit from the existence of a well-defined set of standards, specifications and tools and will progressively upgrade their services.

26. **INDH3 supports and complements MoE's efforts by accelerating free access to quality ECE services in rural areas.** There have not been previous concrete attempts to ensure access to and quality of existing pre-primary education services in rural areas, apart from some small-scale initiatives undertaken by NGOs. Historically, INDH has had a privileged and timely access to rural populations in the most remoted areas, for whom there is the highest need of pre-primary education. Building on its territorial reach and its partnership with key Foundations, INDH3 is working towards the creation of 6,000 PUs<sup>97</sup> in rural areas, in accordance with ECE quality standards. Adopted in 2019, those standards include specifications related to the infrastructure, furniture, equipment, and classroom setting. The functioning of these PUs is delegated to Foundation Zakoura (FZ) and the Fondation Marocaine pour la Promotion de l'Enseignement Préscolaire (FMPS), two large national NGOs that have know-how and established experience in providing ECE services at the community level and which will act as TPP. Building on their experience with community engagement, INDH3 is working simultaneously on addressing some demand-side constraints by raising awareness about the benefit of preschool through the organization of information sessions with parents and the local communities.<sup>98</sup> Thanks to INDH3's substantive contribution through the operationalization of 1,691 new preschool classrooms benefiting to 44,500 rural children, pre-primary enrollment rate in rural areas almost doubled between 2017 and 2020 (from 33.1 to 61.8 percent) with the enrollment of an additional 90,000 children, the majority of which are in public preschools<sup>99</sup>. INDH3 ensures pedagogical quality by recruiting and training preschool teachers to apply a child-centered and play-based pedagogy, and by disseminating teaching material in accordance with the MoE's new preschool curriculum framework. To monitor and coordinate its efforts, INDH3 has developed an M&E system to assess the quality of ECE services, including instruments to measure the quality of the preschool learning environment, the quality of the teaching staff, and the level of child development outcomes. Those instruments are under field experiment and expected to be rolled out nationally in collaboration with MoE. The supervisory authority over the new PUs will be progressively transferred from INDH to MoE.
27. **Climate change adaptation and mitigation impact:** In terms of **access**, the Program's support to TV-based learning activities through DLR 3.0 will also mitigate vulnerable childrens' loss of cognitive development in the event of adverse weather or climate-related disasters: although intended as an at-home intervention, these play-based learning programs could be easily converted into pre-school

<sup>97</sup> INDH3 is gradually expanding access to preschool by, first, identifying local needs: CLDH carry out a territorial diagnostic to target the localities in need, including through the census of pre-primary school age children not enrolled in any form of ECE and the identification of new PUs to be created. Second, by planning the construction of PUs, third, by entering in partnership arrangements with local associations with know-how and established experience to manage those PUs, and finally by operationalizing those preschools.

<sup>98</sup> The community-based preschool model implemented by FZ includes: (i) consultations with the local communities to assess the need and demand for preschool education prior to the creation of a new PU, (ii) building local associations' capacities to operate preschool units, (iii) whenever possible, recruitment and training of a local community member to become ECE teacher, (iv) organization of monthly information sessions with parents of enrolled children, (v) delivery of parental training sessions by trained ECE teachers, primarily for mothers but targeting also fathers and of the whole community. Those sessions aim at building awareness about the benefit of preschool and how to foster child well-being, cognitive and socioemotional development at home.

<sup>99</sup> 307,542 rural children were enrolled during the school year 2019-2020 (126,579 in public preschools), against 217,775 in 2017-2018 (52,437 in public preschools). Ministry of Education, *Indicateurs de l'Éducation, 2019-2020*



programs in case of disasters or emergencies such as COVID-19 related restrictions. Program content could also consider educational and awareness-raising activities related to effects of climate change. Such TV programs would promote play-based messages about ways to conserve water, consumption of more vegetables as a way to support the environment, avoiding exposure to excess heat, planting trees for natural shade etc. Given that rural children are more likely to be negatively affected by climate-or health-related emergencies, the Program would therefore support building the government's climate change adaption strategies and capacity to continue to deliver education services. The government could also explore contingency plans to be able to deliver these programs even in case of electricity cuts following a natural disaster (i.e., work- and story books for at-home use) and which would (if deemed feasible) form part of the government's new "National Strategy for Integrated Natural Risk Management – 2020-2030" (*Plan national de gestion des risques naturelles*) that is currently being developed in parliament. Similar to DLI#2, DLR 3.3a contributes to the Program's support to the creation, equipping and operationalization of 6,000 PUs, taking into account the potential impact of extreme temperature and floods using historic weather and heat patterns, or occurrences of natural disasters. The Program would promote the inclusion of climate-responsive design features in PUs quality standards to maximize energy efficiency and increase resilience. Construction will use climate-proof, energy efficient designs and materials to reduce energy consumption during heat waves (i.e., incorporating opportunities for cross-breezes, high ceilings etc.), thereby increasing their ability to withstand adverse weather conditions and prevent cracking, fissuring and damage of physical infrastructure at PUs. Design features would also include requirements that promote the use of renewable energy such as the installation of solar panels. New classroom furniture and age-appropriate bathrooms will be acquired, while appliances and equipment within PUs will be energy efficient to the extent possible. Age-appropriate signage will be installed in classrooms and bathrooms stress environment-friendly practices such as conserving energy and water. PUs supported under this Program will have a dedicated space/learning corner on the preservation of the environment and outside play areas will include shaded areas through planting of indigenous trees and shrubs. Outdoor greening of spaces using local plants and vegetation would also contribute to fighting climate change by increasing water absorption and decrease potential run-offs. negative effects of flooding. The Program may draw lessons from the ongoing "Roadmap for Safe and Green Schools" being developed by the MoE, which focuses on primary schools but is likely to yield useful guidance for pre-schools as well. One such lesson would likely be the need to enclose PU premises to protect young children from intrusion of animals and people seeking shelter from climate-related events (excess heat, need for water etc.) or reduce impact of adverse weather.

28. **Climate adaptation and mitigation is also expected through interventions supporting the quality of preschool services in rural areas.** Young children are particularly vulnerable to emotional stressors including those exacerbated by traumatic events such as climate-related disasters. As such, a preschool teacher's ability to recognize a child in distress induced by recent natural disasters and be able to devise appropriate strategies to reduce stress and create an environment that is nurturing and conducive to learning is key. Through DLRs 4.1, 4.2, 4.3a and 4.3b, in-service training of preschool teachers would also focus on incorporating climate change topics into lesson plans, and promote disaster-risk preparedness, which could be included in the new training modules to be prepared by the TPPs. DLRs



4.1 and 4.2 would strengthen supervisors’ ability to monitor and enhance teaching practices to support distressed children due to climate-related disasters or other events.<sup>100</sup> Specifically, the Program will directly contribute to strengthening supervisors’ ability to observe preschool teachers in classrooms applying the newly developed observation tool. This tool focuses on monitoring positive teacher-child interactions, including how the teacher detects and addresses children’s traumatic events such as a natural disaster. In addition to observing pedagogical practices, supervisors would conduct interviews with preschool teachers which would include messages that reinforce disaster-risk preparedness (i.e., locally-adapted “shelter in place” guidelines, regularly consult weather forecasts, routinely discuss disaster-risk preparedness with children etc.), which in turn benefits preschool teachers tracked under DLR 4.3b who receive visits from supervisors. Results of these observations will then be fed back to the MoE in charge of pre-service training, thereby contributing to disaster adaptation benefits beyond the Program PUs. Despite great progress, one third of rural children are still missing early learning opportunities and quality is yet to be anchored in all ECE services and regularly measured to guarantee that children will develop the foundational skills needed to succeed in school.<sup>101</sup>

- 29. **INDH3 has the potential to maximize impact of the preschool reform by supporting equitable access to and stronger quality of ECE services in rural areas**, notably by: (a) continuing the expansion of a network of high-quality preschool units in rural areas (DLI#3); and (b) improving the quality of educational processes with a focus on pedagogical practices in the classroom (DLI#4).

Table 14: Rationale for DLIs #3 and #4

<p><b>DLI #3 – Expansion of quality preschool education services in rural areas</b></p>	<ul style="list-style-type: none"> <li>• Quality ECE programs targeting children ages 4 to 6 can foster foundational skills, boost children’s ability to learn and make them ready for school, with evidence of benefits especially strong for disadvantaged children.<sup>102</sup> However, supply of ECE services in Morocco’s rural areas is very limited and, when existing, most often offered in traditional settings.</li> <li>• This DLI will incentivize the government in expanding access to ECE targeting children ages 4 to 6 in rural areas while ensuring a quality of infrastructure that promotes safety, inclusion and sustainable outcomes.</li> <li>• It will support the creation, equipment and operationalization of 6,000 preschool units in targeted areas based on pre-identified needs, and according to standards guaranteeing the quality, accessibility and sustainability of infrastructures, while also adhering to the government’s stringent environmental standards, and the quality of pedagogical material, qualifications and working conditions of ECE teachers. This will lead to a significant expansion of the supply of quality ECE services in rural areas and allow for the enrollment of 100,000 additional rural children and will contribute to</li> </ul>
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<sup>100</sup> These practices are in line with the new curriculum and ECE teacher competency framework, currently being supported by the Bank-financed “Education Support ProgramPforR” (P167619).

<sup>101</sup> Research shows that only high-quality ECE leads to desired outcomes, with quality being mainly driven by the skills of the preschool educators. Low quality ECE programs have led to worse cognitive and socio-emotional outcomes than no ECE in high, middle, and low-income countries (Bouguen and others 2013; Richter and Samuels, 2017; Wong and others 2013). Strategies to improve the quality of ECE often focus too narrowly on inputs or policy elements of ECE settings (such as infrastructure standards, which are necessary but not sufficient). Assuring the quality of the interactions that children experience in the ECE setting is what ultimately matters for children’s learning outcomes (Phillips and others 2017).

<sup>102</sup> OECD 2006, World Bank 2018, SDI Morocco 2016, PISA Morocco 2018, TIMSS Morocco 2019



	<p>increase equitable access to quality pre-primary education especially for girls. Demand-side constraints will be simultaneously addressed by INDH through awareness and information sessions in the local communities. The regular broadcasting of a TV program promoting home-based playful learning of young children is aimed at supporting more learning stimulation in the home environment which, in the event of localized school closures (such as natural disaster or pandemic), offers a way to mitigate learning losses<sup>103</sup>.</p>
<p><b>DLI #4 – Enhanced quality of preschool services in rural areas through the improvement of pedagogical practices</b></p>	<ul style="list-style-type: none"> <li>• Multiple evidence show how crucial quality is in the provision of ECE services, with poor quality services potentially detrimental to young children.<sup>104</sup> The nature of the interaction between ECE teachers and children is the most determining factor in the quality of ECE services and its impact on child development outcomes. The evidence shows that, with more positive staff-child interactions or staff providing higher quality or more exposure to developmental and educational activities, children have higher levels of emerging literacy and numeracy skills, as well as better behavioral and social skills.<sup>105</sup> However, little is known about the actual pedagogical practices implemented by ECE teachers in Morocco.</li> <li>• This DLI will incentivize the Government to assess, improve and maintain the quality of ECE with a focus on pedagogical practices of ECE educators.</li> <li>• The delivery of quality training to ECE educators and supervisors in rural areas will directly contribute to the upskilling of the ECE workforce and lead to expected improvements in the educational processes. The recruitment and training of preschool educators under INDH3 is the responsibility of the operators. In parallel, the operationalization of a new evaluation system with a particular attention to the observation of pedagogical practices will allow ECE supervision entities and the Government to collect relevant information about pedagogical practices in preschools and gauge whether the teacher – child interaction is positive and indeed contributing to the quality of educational processes. Timely remedial actions will be taken by ECE operators based on those results, if need be, with a view to progressively improve the quality of the teacher-child interaction.</li> </ul>

***Results Area #2. Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD***

30. **A primary objective of INDH3 is to establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services.** INDH sees this objective as central to its mandate for, among others, two key reasons. First, reaching the country’s most vulnerable and sparsely located families with a multisectoral package of ECD services that is of quality is a tall order; one that can only be achieved through a robust and innovative monitoring and evaluation system that informs and course-corrects implementation on an ongoing basis. Second, the monitoring, evaluation and coordination mechanisms themselves are expected to become a model for effective ECD service delivery that, if proven efficient, may permeate line ministry’s national monitoring, evaluation and coordination of ECD services. RA 2

<sup>103</sup> In Morocco, the percentage of households with at least 1 television set is 97%. *Social indicators in Morocco*, 2020.

<sup>104</sup> García, J.L., Heckman, J.J. & Ziff, A.L. 2017. “Gender Differences in the Benefits of an Influential Early Childhood Program”. Working Paper 23412, National Bureau of Economic Research. DOI 10.3386/w23412.

<sup>105</sup> Pianta, Downer and Hamre, 2016; OECD, 2018



has been designed to support the key elements of this key objective for INDH.

***DLI#5 - Implementation of a system for planning, monitoring and evaluation of early childhood development***

31. **Significant gaps remain in the availability and use of ECD data in Morocco.** While administrative data on ECD service take-up exists, this data is limited to program participation and provides few insights into the quality of services provided. The impact of service take-up on children’s development is mostly unknown, and so is the cost of its provision. Data on pregnant women and children’s overall wellbeing, while monitored through the National Survey on Population and Family Health, is collected infrequently (2003; 2011; 2018) and leaves behind key developmental domains, such as young children’s early cognitive and socioemotional development. Existing data may be used at the central level but is rarely shared or used for decision-making at the local and district levels. This significantly impedes the effective planning of ECD policies, limits the adequate targeting and quality of service delivery, and hinders accountability and transparency.
  
32. **Through INDH3, Morocco has embarked on the design and implementation of a comprehensive system for planning, monitoring and evaluation of ECD.** This comprehensive system has three interrelated objectives: (a) using geolocalized data for service delivery planning, particularly to inform how and where to reach rural and remote populations with ECD services; (b) producing timely and relevant data on the quality of service provision to enable continuous quality improvement; and (c) measuring the impact of ECD services on children’s development.
  - **Objective (a): Using data for service delivery planning,** particularly to identify how and where to reach rural and remote populations with ECD services. To meet this objective, INDH is developing a platform that maps current supply of ECD services, and identifies remaining ECD needs in a given territorial area of interest (i.e., location and quantity of ECD services need in each cercle), thus informing decisions on where to expand specific services.
  - **Objective (b): Producing timely and relevant data to improve quality of services.** For each ECD service, INDH aims to develop quality standards (where absent) and develop/adapt accompanying tools/instruments (leveraging as much as possible internationally validated tools) to monitor compliance against these standards. Beyond structural quality, these tools/instruments will also measure process quality—a key determinant of children’s development. A key focus will be placed on developing nimble instruments that can provide continuous and actionable feedback to health and preschool supervisors, to enable them to support service providers (healthcare providers and preschool educators) in improving the quality of their practices and interactions with beneficiaries.
  - **Objective (c): Measuring the impact of ECD services on children’s development.** While thus far data and evidence of the impact of ECD services in Morocco is scarce, INDH has developed a strong impact evaluation (IE) design to measure the cost-effectiveness of ECD services on the cognitive and non-cognitive development of children in targeted areas in the short, medium and long terms. The IE design, developed jointly by INDH, J-Pal, Harvard Kennedy School, and the Policy Center for the New South, proposes to conduct a randomized controlled trial in which preschool services are randomly phased in at the douar-level, creating two experimental groups. 100 *douars* (the smallest territorial



entity) are proposed to receive preschool education first (treatment group), and 100 *douars* will be randomly assigned to receive preschool education at a later stage (control group). The IE will provide critical data on potential refinements in the provision of ECD services, while also inform decisions regarding the funding and scalability of these services.

33. **Climate change adaptation and mitigation impact:** The establishment of a data platform, as well as the methodological strategy and instruments proposed under DLI #5 would allow documenting exposure risks to climate change events (i.e., areas at risk of flash floods, mud slides, earthquakes etc.) as part of the supply-side data collection mentioned above. This would inform the types of interventions to be included in the ECD service package to ensure that it responds to beneficiary needs. For instance, beneficiaries located in areas prone to flash floods could receive safety and precaution information in case of heavy rains when visiting a healthcare center or receiving at-home services. It will also promote a shift to cloud computing wherever possible and explore ways the government can increase the disaster risk resilience of the proposed platform to support decision-making, which may include assessing: (a) the potential damage the events could cause; (b) the amount of time needed to recover/restore operation of the system; or (c) preventive measures or controls needed to mitigate the likelihood of the event occurring. Putting in place such a preparedness plan would contribute to the resilience of the platform for M&E (DLR 5.1) and data collection (DLR 5.2b). Lastly, the design of the impact evaluation under DLR 5.2a may also envisage measuring the effectiveness of ECD service provision during periods of adverse weather events on beneficiaries' wellbeing, providing concrete feedback on ways to improve climate change-related resilience and mitigation and decrease beneficiary's vulnerability to adverse events and potentially informing national policy.
34. **Through DLI#5, the Program supports the implementation of a system for planning, monitoring and evaluation of ECD,** notably by enabling: (a) the use of geo-localized data to identify the needs of rural and remote populations, particularly with regards to ECD services; (b) the production of timely and relevant data to improve the quality of services; and (c) the measurement of impact of ECD services on children's development.

***DLI#6 - Strengthened coordination for early childhood development***

35. **While it is clear that children's development occurs across different domains and requires interventions in multiple sectors, challenges persist in the coordination and integration of the ECD service delivery system in Morocco.** As in many other countries, ECD policy decisions and interventions in Morocco span multiple ministries and entities. Broadly, MoH oversees and provides the lion's share of maternal and child health services, MoE oversees the provision of early childhood education services, Ministry of Social Development provides child and social protection services, and an increasing number of private providers are actively engaging in the ECD space to close gaps in access and quality. However, absent an institutional anchor at the central-level, service provision still follows a sectoral approach, roles and responsibilities of different actors are not clearly defined and overlapping at times, and mechanisms for collaboration and communication are underdeveloped. Together, this has prevented the country from articulating a national, integrated ECD policy.



36. **With Morocco's increasing shift towards regionalisation, the need for strong coordination at the regional-level and at the point of service delivery have also become critical.** Global research suggests that integration of ECD interventions (either through co-operation or co-location) can improve efficiency in the supply chain, while at the same time minimizing the time and travel costs for beneficiaries to access services and increasing impact. In the case of Morocco, integration is particularly important to reach remote areas with highly dispersed populations, where mothers and young children have limited contact with the service delivery system. Making the best use of every contact point with mothers and children to deliver appropriate ECD interventions requires strong coordination between programs and across sectors.<sup>106</sup>
37. **Climate change adaptation and mitigation impact:** The Program will particularly focus on increasing local government capacity to coordinate government program activities, by strengthening territorial actors such as Local Committees for Human Development (CLDHs). Ensuring that women are part of the CLDH would help ensuring that identified local ECD priorities respond to targeted beneficiary needs such as those of pregnant women or mothers of young children and take into consideration their climate-change related vulnerabilities (location of Dar al Oumoumas, sensibilization strategies to promote, healthy, climate-friendly and localized dietary recommendations etc.). In terms of DLR 6.2, the adoption of a framework for essential ECD services would also ensure that activities under DLIs 1-4 are sustained, such as: (a) behavior change messages under DLI 1 that link nutritional habits to effects on climate change among other things; or (b) availability of better quality healthcare with better trained staff including in disaster risk management under DLI 2 ensures that climate considerations are anchored at the national level. Under DLR 6.3a, capacity building of regional coordinators would also include sensibilization of climate change risks, vulnerabilities and mitigation measure and facilitate linkages with the baseline data being collected under DLR 5.2b. In addition, training activities under DLR 6.3a would be aligned with the new 2020-2030 natural risk strategy once finalized. As such, this DLR could increase: (a) local actors' knowledge on how to prepare for potential disasters and strengthen resilience; (b) awareness raising events in communities about the risks/impacts of climate change; and (c) local and provincial members familiarity of early warning systems and use of data generated by such systems. Lastly, DLR 6.3b could also look at how well climate change adaptation and mitigation measures have been streamlined into integrated ECD service delivery aspects and possibly inform future interventions.
38. **Through DLI#6, the Program supports the coordination and integration of ECD,** by: (a) incentivizing the operationalization of governance mechanisms at central and local levels tasked with the planning and monitoring of the diagnosis and implementation of INDH interventions, including ECD services; (b) promoting the adoption of a framework for essential ECD services; and (c) strengthening the functioning of local, provincial and regional entities in planning, monitoring and executing ECD interventions, using relevant and timely information provided by the monitoring and evaluation system to be established under the PforR.

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<sup>106</sup> Bryce et al, 2003. Reducing child mortality: can public health deliver?. The Lancet Volume 362, Issue 9378, 12 July 2003, Pages 159-164



Table 15: Rationale for DLIs #5 and #6

<p><b>DLI#5 - Implementation of a system for planning, monitoring and evaluation of early childhood development</b></p>	<ul style="list-style-type: none"> <li>• Significant gaps remain in the availability and use of ECD data. While administrative data on ECD service take-up exists, this data is limited to program participation and provides few insights into the quality of services provided. The impact of service take-up on children’s development is mostly unknown. Data on pregnant women and children’s overall wellbeing, while monitored through the National Survey on Population and Family Health, is infrequent (2003; 2011; 2018) and leaves behind key developmental domains, such as young children’s early cognitive and socioemotional development. Existing data may be used at the central level but is rarely shared or used for decision-making at the local level; nor is it used to increase adaptation capacities to climate change effects. This significantly impedes the effective planning of ECD policies, limits the adequate targeting and quality of service delivery, and hinders accountability and transparency.</li> <li>• This DLI will support the design and implementation of a comprehensive system for planning, monitoring and evaluation of ECD. This system will entail a shift towards outcome-oriented policymaking at all levels, and increased focus on evaluating the impact of social policy. Moreover, this DLI will support increased coordination and integration of services by fostering a comprehensive M&amp;E approach, and establishing the tools and mechanisms to facilitate and institutionalize such integration. Specifically, this system will enable: (a) the use of geo-localized data to identify the needs of rural and remote populations, particularly with regards to ECD services; (b) the production of timely and relevant data to improve the quality of services; and (c) the measurement of impact of ECD services on children’s development.</li> </ul>
<p><b>DLI #6 – Strengthened coordination for early childhood development</b></p>	<ul style="list-style-type: none"> <li>• While it is clear that children’s development occurs across different domains and requires interventions in multiple sectors, challenges persist in the coordination and integration of the ECD service delivery system. Not only does the delivery of ECD services involve multiple sectors, but it is also split amongst various levels of government and stakeholders, including Cercles at the local level, Provinces at the district level, and Regions at the regional level. This complexity in the architecture of service delivery can lead to duplication, overlaps, or omission that reduce the efficiency of interventions.</li> <li>• This DLI will shift the existing sectoral focus in the planning and delivery of ECD services, to an integrated model that is coordinated centrally in terms of strategic vision, and executed locally in terms of planning, implementation and monitoring. This DLI aligns with the broader decentralization/deconcentration agenda in Morocco, which foresees the creation of a number of mechanisms to strengthen decision making autonomy and accountability at the local level. While this DLI focuses on ECD services, the mechanisms aim to strengthen and leverage the benefits of other sectors in the future.</li> </ul>



	<ul style="list-style-type: none"><li>• This will be done by: (a) incentivizing the operationalization of governance mechanisms at central and local levels tasked with the planning and monitoring of the diagnosis and implementation of INDH interventions, including ECD services; (b) promoting the adoption of a framework for essential ECD services; and (c) strengthening the functioning of local, provincial and regional entities in planning, monitoring and executing ECD interventions, using relevant and timely information provided by the monitoring and evaluation system to be established under DLI#5.</li></ul>
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**C. Program’s governance structure and institutional arrangements**

39. **The Program’s institutional architecture relies on clear roles, accountability lines, and high-level ownership.** The Program will be implemented by INDH under the oversight of the MI. Roles and responsibilities are clearly defined at all levels of the institutional architecture with existing detailed Terms of Reference. The PforR benefits from strong commitment from the GoM as it is well aligned with the flagship national program and country priorities as indicated by the King of Morocco.
40. **Implementation of INDH3-P4 follows the key principles of agility, convergence of actions and participation.** INDH3-P4 leverages and complements existing sectoral resources, catalyzing efforts to bring about more coherence and integration across ministerial departments involved in early childhood and adolescent development. The governance arrangements, already established and functioning, are aligned with the State’s new territorial organization stemming from the advanced regionalization process<sup>107</sup>. They provide for a highly participative and inclusive approach, based on the involvement of a wide range of stakeholders and various levels of governments. At each level, the committees are already operational and comprise elected representatives of local government, staff from public agencies, and representatives of civil society. Convergence and participation take place at various levels:
- At the central level, the INDH Strategic Committee, chaired by the Head of Government, establishes the INDH strategic framework and ensures coordination of interventions between various sector ministries. A multisectoral Steering Committee, chaired by MI, oversees implementation progress, ensures consistency of human development public policies and has overall responsibility for monitoring and evaluation as well as budgetary.
  - At the regional and provincial levels, CRDH and CPDH are entrusted with planning and executing activities under the respective responsibility of Walis and governors. The Secrétariat Général des Affaires Régionales (SGAR), a new structure under creation as part of the *Charte de la Deconcentration*, will be charged with supporting the CRDH in the planning and budgeting processes, as well as coordinating public interventions in support of human development. Similarly, existing DAS at the provincial level play a key role in supporting CPDH in their functions. Their responsibility includes preparing action plans for the PPDH and overseeing and monitoring their implementation, implementing training and capacity building activities, and handling potential grievances.

<sup>107</sup> In 2011, under the supervision of the Ministry of the Interior, Morocco began a new process of advanced regionalization that brings together regions, provinces or prefectures and communes under the umbrella of territorial collectivities. There are now 12 regions (Wilaya), 75 prefectures and provinces and more than 1,500 communes. It should be noted that the cercle (or "pachalik") is at an intermediate level between the province and the commune.



- At the local level, CLDH are charged with developing diagnostics based on an analysis of local needs for boosting human development. They are chaired by the Cercle Chief in rural areas or by the Pasha and/or the head of the urban district in urban areas. To date, 545 CLDH are operational throughout the country.

Figure 5: INDH3 governance structure provides for convergence and participation at strategic, operational, and diagnostic levels

	Existing structures	Composition	Role and responsibilities
Strategic	Strategic and Steering Committees	Ministry of Interior, Ministry of Education, Ministry of Health, CN-INDH	Set broad strategic vision, overall supervision and consolidation of results, guidance on budget
Operational	Regional Committee for Human Development	Wilaya (CR-INDH), Regional Direction for Health, Regional Academies for Education (AREF), Regional Council	Validate Multi-Year Provincial Human Development Plan (PPDH) ensuring convergence as needed, mobilize and allocate
	Provincial Committee for Human Development (CPDH)	Division for social welfare (DAS), Provincial direction (DP) for Education, DP for Health, Provincial Council	Prepare PPDH and monitor execution of activities
Diagnostic	Local Committee for Human Development (CLDH)	Urban district, Cercle (rural), local coordinators for Health and Education, Municipalities, non-state actors	Prepare participatory diagnostic (ILDH) based on assessment of local needs

Source of data: INDH

- The Program will be managed at the government level by the National Coordination of the INDH (CN-INDH), which has largely demonstrated its capacity to implement large scale program during the first two phases of INDH. CN-INDH will be responsible for overseeing the program, monitoring its implementation and impact, and providing relevant technical assistance (TA) and capacity building to entities charged with implementation. Established during INDH1-2, CN-INDH has been significantly strengthened for this third phase. It now comprises 5 units, respectively focusing on: (a) social engineering; (b) operations and implementation of programs; (c) monitoring and evaluation; (d) administrative and financial matters; (e) communications. Each of these departments is adequately staffed with highly competent individuals and has clear ToRs and functions.



42. **Finally, Program Implementation will rely extensively on a limited number of high-quality TPPs, a strategic and innovative move for INDH3-P4.** Execution of activities under INDH3-P4 relies heavily on the contracting of TPPs who are recognized for their prior experience and expertise in their respective areas. This differs from earlier phases of INDH whose implementation relied on a fragmented and disperse network of non-state actors whose capacity varied greatly. By shifting to a reduced number of TPPs, INDH3-P4 aims to achieve stronger efficiency by pooling resources and expertise and leveraging economies of scale. TPPs will deliver services on the basis of a contractual relationship that establishes clear results in terms of the quality and quantity of service provision, as well as capacity building interventions. In addition, faster rolling out of its activities, INDH3 also aims through these partnerships at strengthening the capacity and capabilities of non-state actors who have a crucial role to play locally both in terms of service provision, but also in raising awareness and optimizing outreach to communities. Box 2 provides more information about the key non-state actors that have entered into partnership with INDH3.
43. **DLIs verification.** IGAT will take the responsibility of verifying all DLRs. Owing to its successful involvement in several PforRs, IGAT (under the authority of the MI) has developed a solid reputation as a reliable verification agent in Morocco and its involvement in the proposed operation would constitute a strong plus for monitoring the Program results.
44. **Financial audit of the Program.** The IGF—a Department of the Ministry of Economy, Finance and Administrative Reform—will carry out the financial audit of the Program in accordance with the IGF standards manual and terms of reference agreed with the World Bank for the audit of PforRs, including the audit of the participating municipalities, and TPPs. The terms of reference of the audit will include both financial and procurement audits.

#### D. Monitoring and Evaluation

45. **Result framework and M&E capacity:** The government program is built on a sound theory of change with clear outcome-level indicators, and reliable monitoring and reporting arrangements are in place. M&E systems have the necessary foundations to function but would require strengthening in the areas of data quality, data sharing, and data use for decision-making at all levels. The operation will provide an opportunity to strengthen INDH's M&E systems by supporting: (a) the structuring of INDH's M&E department; (b) the development of a comprehensive and integrated M&E strategy; (c) increased synergy and interoperability, when feasible, with sectoral M&E systems; (d) improved measurability of ECD outcomes; (d) capacity building to conduct IBMs and impact evaluations; and (e) disaggregation of the Human Capital Index (HCI) at the provincial level.

#### E. Economic Justification

46. **Rationale for public investment.** In general terms, public investment in health, nutrition and education focusing on women, young children and adolescents can be rationalized on the basis of its nature as a



merit good (a good whose availability should not depend on the ability to pay). In addition, public financing, regulation, and even provision of those services is justifiable because of market failures resulting from information asymmetries, presence of supplier-driven demand, complex and opaque production functions, credit constraints and other market imperfections. Therefore, in Morocco, as in most countries in the region, basic health, nutrition and education services, including those whose provision will be supported by the proposed program, are already provided primarily through the public sector. Public financing and provision of those services are necessary to improve the efficiency and equity of service delivery. Households from the bottom wealth quintiles often require state interventions to access quality education and health services as private alternatives are either unavailable or of poor quality. As highlighted in the technical analysis, these critical interventions have low uptake by Moroccan families, and are offered at public facilities particularly at rural areas; strengthening the public preschooling and community outreach system for nutrition and maternal health offers significant benefits.

47. **Economic returns.** International evidence points to significant economic returns—both public and private— generated by investments in quality ECD programs. In fact, literature on the subject demonstrates that investing in ECD has a higher rate of return than interventions targeted at any other stage of life. Every US\$1 invested in early childhood is estimated to return US\$6–US\$17, with potential benefits including better health, improved cognitive development and schooling outcomes, and, eventually, increased wages and productivity. Due to the long-lasting and far-reaching benefits, investments in children’s earliest years have the potential to stop the intergenerational transmission of poverty, and investments in ECD are a powerful tool to reduce inequality because disadvantaged children are likely to benefit the most. A meta-analysis of 40 combined nutrition and early stimulation interventions in low- and middle-income countries shows that these programs had an average effect size of 0.42-0.47 on cognitive and language development.<sup>108</sup> Coupled with the results from another recent review showing that a standard deviation increase in cognitive development is associated with a 17-22 percent increase in income, the benefits from investment in early years is evident.<sup>109</sup> These interventions not only yield large benefits in terms of child development outcomes but are also highly cost-effective. For example, investing in interventions to increase exclusive breastfeeding rates can yield economic returns up to US\$35 for every US\$1 invested.<sup>110</sup> Similarly, early stimulation programs can also be highly cost-effective. A rigorous analysis of an early stimulation intervention in Bangladesh suggests that a one-point increase in cognitive and language outcomes in a composite score cost between US\$3.11-6.02.<sup>111</sup> For high-quality ECE programs implemented in the United States, the estimated internal rate of return ranges between 7 and 14 percent per annum.<sup>112</sup> Similar results were found in Uganda, where the benefit-to-cost ratio of a preschool intervention was between 1.6 and 8.6.

<sup>108</sup> Aboud, Frances E. and Aisha K. Yousafzai. 2015. “Global Health and Development in Early Childhood.” *Annual Review of Psychology*, Vol. 66: 433-457

<sup>109</sup> Patrinos, H and Psacharopoulos, G. Returns to education in developing countries. <https://harrypatrinos.files.wordpress.com/2020/01/returns-to-education-in-developing-countries-eco-of-ed-2020-elsevier.pdf>

<sup>110</sup> An Investment Framework for Nutrition: Reaching the Global Targets for Stunting, Anemia, Breastfeeding, and Wasting Directions in Development - Human Development. April 2017.

<sup>111</sup> Chinen, Marjorie and Johannes M. Bos. 2016. “Impact Evaluation of the Save the Children Early Childhood Stimulation Program in Bangladesh: Final Report. *American Institutes for Research, International Research and Evaluation Program*.

<sup>112</sup> Heckman et al. 2010; Garcia et al. 2017.



<sup>113</sup>Evidence suggests that substantial improvements in adult outcomes on employment, health and education stem from the lasting impact of ECE on cognitive and socio-emotional skills.<sup>114</sup> The effects of early nutrition, stimulation and education may be even larger for children from low-income households as compared to their peers from higher-income families.<sup>115</sup> In addition to preschooling, the Program also supports the uptake of cost-effective nutrition interventions at the community level. Although intrinsic development objectives in their own right, nutrition outcomes are also instrumental in stimulating economic growth. Poor nutrition in early childhood can result in decreased cognitive ability, lower educational attainment, lost earnings, and losses to national economic productivity. The most damaging effect of malnutrition occurs during pregnancy and in the first two years of life, and the effects of this early damage on health, brain development, intelligence, ability to learn, and productivity are largely irreversible. Improving child health and nutrition, especially in the first 1,000 days, is critical for addressing the World Bank Group's twin goals of eliminating extreme poverty and boosting shared prosperity in a sustainable manner. At the individual level, chronic malnutrition in children is estimated to reduce a person's potential lifetime earnings by at least 10 percent. Studies have shown that a 1 percent loss in adult height results in a 2 to 2.4 percent loss in productivity.

48. **The calculation of an internal rate of return as part of this economic justification is focused on private monetary returns to the Program's investment in expanding access to high quality preschool education.** As described above, there are substantial returns to quality preschool education, through improved employability and wages. As such, the economic analysis calculates the internal rate of return of investments in the expansion of preschool capacity in Morocco. It is estimated that the Program will finance the creation of an additional 2,000 preschool units per year, resulting in preschool education for a total of 100,000 additional children. Based on labor market estimates and 2 years of preschool, it is estimated that the first cohort of Program beneficiaries will enter employment in 2033 and remain in the labor market for 50 years. In order to estimate the internal rate of return, this analysis uses median monthly wages in Morocco as MAD 2,725<sup>116</sup>, and quantifies additional years of education thanks to preschool (1.79 years, based on an estimate from Egypt<sup>117</sup>), as well as the rate of return to an additional year of schooling in Morocco (2.80 percent<sup>118</sup>), which results in a 5 percent premium for those attending preschool. It is worth noting that this return is at the lower end of economic returns seen in other countries.
49. **An analysis of the economic impact of the Program shows an internal rate of return ranging from 6-8 percent based on the scenarios, which is a conservative estimate.** Based on the outlined methodology, this economic justification presents three scenarios: marginal salary increases of 50 percent, 75 percent, and 100 percent of national median salary for those benefiting from the preschool units created by the program. The low scenario results in an NPV of US\$43 million and an IRR of 5.8 percent; the medium

<sup>113</sup> UNICEF global resource guide on public finance for children in Early Childhood Development. <https://www.unicef.org/media/67226/file/Guide-on-public-finance-for-children-in-early-childhood-development-Partners-edition-2020.pdf>

<sup>114</sup> Heckman et al. 2013.

<sup>115</sup> Weiland, Christina and Hirokazu Yoshikawa. 2013.

<sup>116</sup> Haut-Commissariat au Plan et la Banque mondiale, 2017. « Le marché du travail au Maroc : Défis et opportunités »

<sup>117</sup> Krafft, 2015. "Increasing educational attainment in Egypt: the impact of early childhood care and education" Economics of Education Review

<sup>118</sup> Arbak, 2012. Measuring returns to education and human capital in the southern Mediterranean. MEDPRO technical report No. 12.



scenario results in an NPV of US\$140 million and an IRR of 7.3 percent; and the high scenario results in an NPV of US\$237 million and an IRR of 8.3 percent. It should be noted that this estimate is only based on the expansion of preschooling units; nutrition- and health-related interventions are not included in the IRR given the difficulty in estimating their impact in monetary terms. The benefits of these interventions (as suggested by the literature), as well as the positive social externalities of improved access to quality early childhood development services such as equity, welfare, and intergenerational benefits, would significantly increase the calculated net present value and internal rate of return. In addition to the exclusion of community health and nutrition interventions, this analysis also excludes recurrent costs associated with the preschool units that will be borne by the Government of Morocco after the Program is concluded.

Table 16: Net Present Value and Internal Rate of Return

Results	Low	Base	High
Assumptions	50% of median salary	75% of median salary	100% of median salary
Net Present Value (NPV)	US\$43,046,651	US\$140,061,299	US\$237,075,946
Internal Rate of Return (IRR)	5.82%	7.25%	8.34%

- 50. **Distributional impact.** The Program would seek to close significant urban-rural inequities across access to and quality of ECD interventions across education, health, and nutrition. As the technical analysis demonstrates, there is a significant amount of inequality between urban and rural areas in Morocco, across both service utilization as well as outcomes, particularly for nutrition and skilled delivery attendance. United States (Head Start) demonstrates that the earlier the educational investment, the higher its impact on breaking the cycle of poverty and reducing poverty and inequality, suggesting that the rate of return of this Program is potentially higher than estimated given the focus on preschool.<sup>119</sup>
- 51. **Externalities.** Investments in ECD interventions have significant externalities, and there are positive interactions between the education, health, and nutrition interventions supported by the Program. Results of a recent service delivery indicator survey from Morocco also demonstrate that fourth grade students who have attended at least a year of preschool score better in every subject<sup>120</sup>, highlighting that potential returns are significantly higher as preschool attendance also increases the quality of subsequent years of schooling. Finally, the Program would generate positive externalities through the strengthening of coordination and governance through INDH, as well as improving the quality of care for these services; the lessons learned from the implementation of these quality improvement and governance strengthening interventions can strengthen the delivery of other education, health, and nutrition services.

<sup>119</sup> Johnson, R.C., Jackson, C.K., 2019. Reducing Inequality through Dynamic Complementarity: Evidence from Head Start and Public School Spending. American Economic Journal: Economic Policy 11, 310–349. <https://doi.org/10.1257/pol.20180510>

<sup>120</sup> Royaume du Maroc, Observatoire National du Développement Humain. 2017. « Enquête sur les indicateurs de prestation de services en éducation (IPSE) au Maroc »



52. **Bank's value added.** The Bank has a significant amount of experience from recent years from projects strengthening early childhood development, both from within and outside of the MENA region. Through the Human Capital Project, the Bank seeks to accelerate high quality investments in people, with both financial and technical support to countries; a network that can be leveraged through the PforR operation. In addition, the Bank has an active human development portfolio of lending and analytics in Morocco, and this Program will draw from the successes and lessons learned of past engagement.

### *Gender*

53. **For pregnant women living in rural areas, access to quality healthcare services is a significant barrier.** During the first 3 months of pregnancy, only half (50.7 percent) of rural pregnant women receive prenatal care by a qualified professional. This stands in sharp contrast to the 79.2 percent of pregnant women who benefit from prenatal care in urban areas. At the time of delivery, only three fourths (73.4 percent) of women in rural areas give birth in a health facility, whereas 96 percent of women in urban areas benefit from a skilled delivery in a health center. Among others, this has resulted in the maternal mortality ratio in rural areas (111 per 100,000 live births) being more than two times higher than in urban areas (45 per 100,000 live births) (ENPSF 2018). Supply-side barriers are coupled with demand-side constraints driving this gap. Social norms and lower levels of parental education in rural areas, contribute to suboptimal practices in child health,<sup>121</sup> which can limit certain behaviors and also hinder demand for such services. For example, many rural women continue giving birth at home despite the existence of a nearby birth center due to lack of information, limited transportation, and/or lack of trust and a preference for traditional methods. This is even more prevalent among poor and vulnerable families who also face significant financial constraints.
54. **The Program aims to address this gap and its determinants through (DLI#1) the design and implementation of a behavior change campaign for early childhood nutrition, and; increased availability of quality community-based health and nutrition services for women and children in rural areas (DLI#2).** Under DLI#1, the behavior change strategy and its implementation plan will stimulate the demand and influence behaviors on health, nutrition and parental practices, time promoting behaviors and norms that are conducive to optimal child development (DLRs 1.2a, 1.2b, 1.2c, 1.3a, 1.3b). While pregnant women and mothers of children (up to 24 months) will be specifically targeted, the campaign will include delivery of training on positive parenting for mothers, fathers and the community. Under DLI#2, a model, including quality standards, to promote access to health and nutrition services at the community level for pregnant women and young children in rural areas will be developed and tested (DLRs 2.0-2.1). DLR 2.2 will set, in a strategy, the operational arrangements for the targeted and quality scale-up of these core services to beneficiaries, including the most vulnerable pregnant women. DLR2.3 will set a strong incentive for the implementation of this model, by directly incentivizing the delivery of at least on health or nutrition service to targeted women and children.

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<sup>121</sup> The 2017 International Men and Gender Equality Survey (IMAGES) shows that Moroccan men attitudes towards gender equality are improving. However, men's and women's attitudes towards childcare and helping with household chores diverge significantly. For instance, 72.4 percent of men believe that changing diapers, giving baths to children, and feeding children should all be the mother's responsibility compared to 53.7 percent of women.



55. **Additional gender disparities are also identified in pre-primary education, where access is particularly limited for girls in rural areas.** While pre-primary enrollment rate for rural boys age 4 and 5 stands at 68.8 percent, it is only 54.5 percent for rural girls. This gap becomes even more stark when compared with the 79.6 percent of boys in urban areas.<sup>42</sup> Lower enrollment for rural girls may stem from both supply and demand-side constraints. On the supply-side, the MOE is challenged both logistically and financially to bring ECE services to remote areas with highly dispersed population. On the demand-side, a lack of awareness on the importance of ECE coupled with long distances to school, may deter parents from sending particularly young girls to preschool. To address this gap and its determinants, the Program will support enhanced ECD outcomes for girls through: parental education sessions focused on positive parenting, promotion of girls' enrollment and attendance of preschool, and the expansion of quality preschool education services in rural areas to reduce constraints in access (namely distance to school) that are generally stronger for girls. Also, investments in the building and equipping of PUs, will support inclusion of design features that may contribute to narrow the gap between girls and boys in pre-school enrollment in the rural areas, e.g., separated toilets for girls and boys, sinks and toilet accessories appropriate for girls' and boys' use, etc. This investment will also bring about positive benefits in terms of women's labor force participation overall, by reducing the time women allocate towards caregiving, and by creating job opportunities for women as preschool educators.
56. **The Program will also address gaps in the availability and use of ECD data, including of sex-disaggregated data on the development of young children.** Under DLI#5, the Program will strengthen planning, monitoring and evaluation of ECD through the development of a methodological strategy and instruments to collect data on children's key developmental milestones along cognitive and non-cognitive domains. This data will be disaggregated for girls and boys and across different groups (i.e., urban versus rural, high-income versus low-income, across regions, etc.) to enable Morocco to construct trends in child development and adequately inform system-level decision-making about how best to support young children's early development and learning. Under DLI#6, the Program will promote the strengthening of regional and provincial capacity for implementation through: an institutional structure that enables participation of community members, including women, in local planning of ECD services (DLR 6.0); and the training of CRDH coordinators to use gender-disaggregated data on ECD to support decision-making (DLR 6.3a).
57. **The Program will specifically monitor progress in narrowing the identified gaps.** In order to monitor the urban-rural gap for pregnant women in access to quality healthcare services, the Program will report on the share of women in target rural areas who benefit from health or nutrition services offered by the community-based health model, during their pregnancy. (The baseline for this indicator stands at 0, and the target for this Program has been set at 50 percent). In addition, the Program will be reporting sex-disaggregated data on: number of additional children enrolled in newly created PUs, number of preschool educators recruited and trained on appropriate pedagogical practices, as per the quality standards, and number of CRDH coordinators who have been trained on the use of tools for the planning and coordination of ECD services.



## ANNEX 4. FIDUCIARY SYSTEMS ASSESSMENT

### EXECUTIVE SUMMARY:

58. **Introduction:** As part of the preparation of the **Improving Early Childhood Development Outcomes in Rural Morocco** (the Program), the World Bank carried out a Fiduciary Systems Assessment (FSA) of the proposed Program in accordance with the World Bank Policy on PforR Financing.
59. **Main conclusion: The Integrated Fiduciary Systems Assessment (IFSA) concluded that the Program’s fiduciary systems meet Bank Policy on Program-for-Results Financing requirements and provide reasonable assurance that financing proceeds will be used for intended purposes with the objective of supporting achievement of Program objectives. The overall residual fiduciary risk is rated Moderate.** To ensure adequate implementation, the systems will require some capacity and systems strengthening activities as described below:
- **Risk assessment.** The fiduciary systems will be strengthened to ensure proper implementation. The key risks are related to potential delays in the procurement process for the execution of the civil works and equipment required for the creation of the 6,000 new PUs<sup>122</sup>, and around 40 Dar Al Oumouma units. These risks may result in delays in the programming and budgeting of activities between the central government and the local authorities involved in the selection of sites and the construction of preschool and Dar El Oumama units. These activities represent above 50 percent (see table 19) of the total expenditure framework (RA 1). This would also have an impact on the production of timely consolidated financial statements of the Program, necessary to ensure the traceability of the use of funds and to facilitate external audits conduction.
  - **Mitigation measures. The Program’s design includes a comprehensive set of measures to mitigate the identified risks.** The risk of delays in the procurement process for the execution of the civil works and equipment related to preschool and Dar Al Oumouma units will be mitigated by the definition of: (i) a periodic procurement performance monitoring system as part of the upgraded MIS; (ii) expanded audit review; (iii) new guidance tools on bidding documents and contracts/conventions templates; (iv) restoration of the Fiduciary Coordination Committee (FCC) oversight of fiduciary performance initiated to resolve fiduciary bottlenecks during the INDH2 phase; (v) strengthened grievance redress procedures; (vi) more effective procurement and financial management reporting in the MIS with Key Fiduciary Performance Indicators (FKPIs); and (vii) an enhanced role of the local and regional authorities in defining the Program needs resulting in more efficient and agile procurement processes.
60. **Summary of disbursement arrangements:** The PforR-financed results areas are embedded in the budget and expenditure management processes of the country system. Program funds will be entirely reflected in the central Government budget under the MI via the INDH. All payments under the Program

<sup>122</sup> INDH3 is gradually expanding access to preschool by construction of 15,000 units by 2023. So far, 1,900 pre-schools and 120 Dar Al Oumouma were built since 2019 and are to be operational during 2021.



will be made through the centralized Treasury system of bank accounts held at the Central Bank (Bank Al-Maghrib). The GoM, through its budget, will transfer the funds to the MI via INDH based on the expenditure framework and activities to be executed by the INDH via MI and thus prefinance the expenditure. The Public Accountant (*comptable public*) of INDH is in charge of making the payments. The GoM would claim disbursements from the World Bank as the DLIs are achieved. The IVA will confirm the attainment of DLIs to release funds in accordance with the agreed schedule. For advances, prior results and achieved results, the funds will be disbursed to the Government's Treasury Single Account (TSA) at the Bank Al-Maghrib. The disbursements under the DLIs would be compared with Program expenditures in the last year of the Program.

61. **Procurement exclusions.** Under INDH1 and 2, the contracts' value has never exceeded US\$2 million. Similarly, the new Program does not envisage any activities which involve the procurement of high-value contracts.<sup>123</sup>

### Objective and scope of the IFSA

62. **As part of the Program preparation, the Integrated Fiduciary Systems Assessment (IFSA) of the Program was carried out, consistent with Bank Policy and Bank Directive on Program-for-Results Financing and in accordance with the relevant guidance note.** The objective of the assessment was to examine whether Program systems provide reasonable assurance that the financing proceeds will be used for their intended purposes, with due attention to the principles of value for money, economy, integrity, fit-for-purpose, efficiency, effectiveness, transparency, fairness, and accountability.
63. **Data collection and methodology.** The IFSA was carried out by an experienced team of World Bank staff that included Financial Management and Procurement Specialists. The assessment was conducted based on: (a) the knowledge of the financial management and procurement systems in Morocco; (b) the most recent national PEFA report completed in 2017; (c) the fiduciary data made available by INDH under the oversight of the Ministry of Interior and affiliated public entities; (d) the analysis of quantitative and qualitative fiduciary data from the execution of previous operations such as the ICR of the National Initiative for Human Development 2 Program (P116201) and active operations such as the Supporting the Youth Economic Inclusion Project (P151169); and (e) the audit reports issued by the national oversight bodies: IGF and Court of Accounts. The data made available by involved entities in the Program comprised the percentage of contracts awarded within the service standards, the average number of bids, the percentage of contracts awarded on a competitive basis, the percentage of contracts awarded on a single source basis, budget execution reports, the lead time in the procurement process as well as in the production of the financial statements, and the number of complaints received on contracts awarded and resolved in timely manner at the implementing entities level.

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<sup>123</sup> Contracts with estimated values exceeding the following monetary amounts, as may be amended from time to time, that require mandatory review by the Bank's Operational Procurement Review Committee (OPRC): (1) works, estimated to cost US\$115,000,000 equivalent or more per contract; (2) goods, estimated to cost US\$75,000,000 equivalent or more per contract; (3) non-consulting services, estimated to cost US\$75,000,000 equivalent or more per contract; or (4) consultants' services, estimated to cost US\$30,000,000 equivalent or more per contract.



64. **Based on the Program boundaries and expenditure framework, the IFSA covered the Ministry of Interior through the INDH.** The overall implementation and supervision of this Program will be under the responsibility of the Ministry of Interior, specifically under the National Coordination of the INDH (CN-INDH). Based on the lessons learned from the closed INDH2 Program (P116201), the following TPPs will be contracted to support the implementation of the Program supported by the Bank: (a) FMPS; (b) Foundation Zakoura; and (c) UNICEF. INDH has extensive experiences in implementing Bank-funded operations. Overall performance of INDH during the implementation of INDH2 was assessed satisfactory; the ICR rated the fiduciary performance Moderately Satisfactory at closing mainly because of the shortcomings in implementing audit recommendations and INDH’s failure to meet the FKPI end targets on commitments and payments rates due to the slow program implementation in 2015, an election year. INDH is also involved in the implementation of the Supporting the Economic Inclusion of Youth Project (P15169) as mentioned above. The last supervision mission of this project performed in December 2020 rated both FM and procurement performance as moderately satisfactory due to shortcomings related to the low commitment and payment rates of projects’ activities, and the non-timely transmission of the 2019 financial audit report. As for its risk in fiduciary management, it remains substantial, particularly in view of: (a) the difficulties observed in the collection and consolidation of financial information; and (b) the lack of monitoring of achievements compared to initial planning and budgeting.
65. **The Program supports the objectives of the Government program of improving access and quality of select ECD services in rural areas.** The Program financing will amount to US\$520 million over a period of four years (2021–2024) of which IBRD will finance US\$450 million during the period of 2021-2024, the remaining US\$70 million will be directly financed by the GoM. The PforR will use *Window 4* of the National Initiative for Human Development Account (*Compte d’Affection Spéciale pour L’INDH – CAS INDH*) as a single depository of funds. Window 4 of INDH is focused on “*Preparing future generations*”. The distribution of this funding is as follows:

**Table 17: Program costs and source of financing (US\$ million)**

Source	Amount	% of Total
Borrower	70.00	13.4
IBRD	450.00	86.5
Total	520.00	100



**Table 18: Program costs across results**

Type of Expenditure (Result Areas)	Financing source		TOTAL
	GoM	WB	
RA 1: Improved access to quality ECD services in rural areas	58.8	394	452.8
RA 2: Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD.	11.2	56	67.2
<i>TOTAL</i>	70	450	520

66. The Program Expenditure Framework (PEF) is structured around two result areas: (a) Improvement of access to quality ECD services in rural areas (84 percent); and (b) Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD (16 percent). Based on the information provided by the government on the implementation of INDH2 over the period 2016-2018 the program expenditures under these two results areas are likely to be grouped under three main categories: (a) civil works (52 percent); (b) equipment and goods (32 percent); and (c) consulting and non-consulting services, including operating costs and grants (16 percent).

**Table 19: Expenditure Framework by procurement categories**

Program Components	Civil Works (US\$ million)	Equipment and Goods (US\$ million)	Consulting and non-consulting services (US\$ million)	Total (US\$ million)	% of Total
RA 1: Improved access to quality ECD services in rural areas					
DLI#1 Design and Implementation of a Behavior Change Campaign for Early Childhood Nutrition	0	0	14.4	14.4	2.8%
DLI#2 Increased availability of quality community-based health and nutrition services for women and children in rural areas.	91	41.6	20.8	153.4	29.5%
DLI#3 Expansion of quality pre-school education services in rural areas	165	41.6	0	206.6	39.7%
DLI#4 Enhanced quality of preschool services in rural areas, through the improvement of pedagogical practices	0	0	20.8	20.8	4.0%
RA 2: Institutional framework and mechanisms to strengthen monitoring, evaluation and coordination of ECD.					
DLI#5 Implementation of a multisectoral system for planning, monitoring and evaluation of early childhood development.	0	41.6	20.8	62.4	12.0%
DLI#6 Strengthened coordination for early childhood development.	0	41.6	20.8	62.4	12.0%
<b>Total</b>	256	166.4	97.6	520	100%
<b>% by type of expenditure</b>	52%	32%	16%	100%	



67. **Alignment of the budget with government priorities, classification, sustainability, and predictability is assessed as adequate.**

- **Fiscal sustainability: Implications of the fiscal context on the PforR.** Despite a tightening fiscal space, Morocco's overall medium-term fiscal outlook is adequate to ensure the sustainability of the Program. In 2020, the Covid-19 pandemic increased fiscal deficit and public debt to 7.7 percent<sup>124</sup> and 77.6 percent of GDP, respectively. The pandemic crisis will most probably have a lasting impact, with growth only returning to the pre-pandemic trend by 2022. The costly economic, social and financial measures swiftly taken by the government to offset its negative economic impact are expected to reduce the government's financial margin. However, over the medium and long term, economic performance is expected to improve enabled by sound fiscal and monetary policies, more consistent sector strategies, and an improved investment environment, all of which are aimed at supporting gradual competitiveness gains. Given the strong impact of enhanced ECD outcomes on productivity, growth and inequality, the Program would have a positive long-term impact on the fiscal outlook by contributing to broadening the fiscal basis, increasing fiscal revenues and enhancing efficiency of spending.
- **Program financial sustainability.** The 2021 Budget Law reveals continuity in efforts that began with the 2019 and 2020 Budget Laws to boost revenue mobilization while consolidating spending and reorienting it towards social sectors, including education and health. The 2021 Budget Law introduced a variety of revenue mobilization measures including taxation and privatization in order to finance the ramp up of spending on health, education, social protection, and employment in response to the COVID-19 crisis and public discontent surrounding the high level of economic, social, and territorial inequality. The Budget Law for 2021 identifies three key priorities, namely: (i) protecting and creating job opportunities; (ii) supporting a progressive economic recovery and economic activity; and (iii) and speeding up the reform of the administration. It also insists on implementing the recommendations of the Third National Tax Conference to foster a more transparent and efficient tax system. It also emphasizes continued rationalization of public service expenditure, active management of state-owned assets and public institutions, and privatization. Over the past three years, the INDH budget was stable, around US\$370 million and INDH was allocated US\$374 million in the 2021 Budget Law, which shows continuity in budget allocation. Financial sustainability of the Program is ensured through the multiyear programming of its budget<sup>125</sup>, as well as by the high visibility and ownership of the program by the MI directly invested into it.
- **Funding predictability.** Overall predictability of GoM's expenditure programs is ensured by the existence of several tools: (i) the Three-year Program Budget (TPB) for 2021 – 2023, developed in the context of the Budget Law; (ii) the annual performance project endorsed by the Parliament which describes the key programs, the associated budget and PIs; and (iii) the annual performance report

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<sup>124</sup> Morocco Economic Monitor, From Relief to Recovery, World Bank, December 2020.

<sup>125</sup> The 3rd phase (2019-2023) of the INDH was launched by His Majesty King Mohammed VI. It is based on a proactive and innovative approach aimed at preserving and consolidating achievements, refocusing programs on the development of the human capital, especially for future generations. The overall dedicated budget is of MAD 18 billion (US\$ 2 billion) for the implementation of the four programs.



which summarizes the results achieved and the budget executed for a given year. Overall, as per the 2017 Public Expenditure Framework Assessment (PEFA), the predictability of the GoM’s expenditures is robust with the indicator on predictability rated A based on timely release of the budget appropriations to the budget holders. Special funds, such as the INDH, are included in the state budget and adopted by finance law. Specifically, the predictability of the PEF is supported by well-established mechanisms for fiscal transfers from the General Budget of the State (*Budget Général de l’Etat*) to the INDH, channeled through the special account. The INDH’s budget execution over the past three years reached over 58 percent. Execution under INDH3-P4 was higher around 70 percent in 2019 and 2020, a percentage that is expected to increase in the post-pandemic phases of implementation.

**Table 20: Commitment and payment rates (Investment Budget)**

INDH3	2019		2020	
	Commitment	Payment	Commitment	Payment
Window 1 - Reducing territorial disparities of the lagging regions.	95.9%	49.0%	96.0%	40.17%
Window 2 - Reducing vulnerability	82.7%	56.2%	81.7%	51.6%
Window 3 - Promoting economic inclusion and job creation for the youth.	82.2%	49.1%	75.3%	34.6%
Window 4 - Preparing future generations.	90.8%	72.7%	92.9%	69.9%
Support to INDH	82.2%	81.5%	76.5%	81.3%
<b>Total</b>	<b>90.6%</b>	<b>61.7%</b>	<b>88.8%</b>	<b>55.5%</b>

- Adherence of the budgeted program expenditure and execution to government priorities.** The activities contained in the expenditure framework meet the directions set by the Government. Moreover, the program’s budget structure is clear in terms of sources of funding, budgetary vehicles and categories of expenditures. The PEF is grounded within the General Budget of the State. All expenses are programmed in line with the Classification of the Functions of Government (COFOG) and will be incurred between 2021 and 2024.
- Budget structure.** The Program’s budget structure is clear in terms of sources of funding, budgetary vehicles and categories of expenditures. The Program budget is funded by the INDH through the General Budget of the State and the local communities. All expenses are programmed in line with the COFOG and will be incurred between 2021 and 2024. Around 52 percent of the expenditures finance physical assets (civil works), 32 percent equipment and goods, 2.5 percent consulting and non-consulting services and 13.5 percent other expenditure including operating costs. The construction of preschool units and Dar Al Oumouma represent the most substantial risk. Mitigation measures will be implemented as already executed under the INDH2 PforR. These mitigating measures would enable to successfully achieve the interlinked activities, such as the development by the CN-INDH no later than three months after loan effectiveness of a detailed Program Operational Manual (POM) that will include fiduciary reporting arrangements.



- **Efficiency of Program expenditures.** The Program's own fiduciary risk control mechanisms (which are more fully assessed within the Fiduciary System Assessment) provide further driver of efficacy of expenditures under the Program. Despite the alignment between the Program Expenditure Framework and Government priorities, implementation of this program could be affected by delays in transferring funds. This risk is mitigated by: (i) the strong political backing of INDH; (ii) the clear description of budget flows through a legal framework<sup>126</sup> between INDH and other actors at central and regional levels, including line ministries and how budgets and other incentives will be used; (iii) the existence of a reliable accounting system used (including a descriptive manual of procedures), with reporting arrangements between the different entities at central and regional levels; and (iv) the reporting system adopted by the INDH which is based on the monthly bulletins edited by the TGR, tracking the performance of the INDH by region, province, and programs. As implemented in the INDH2 PforR, the re-instatement of the permanent Fiduciary Coordination Committee, mainly composed of the MEFAR budget and control bodies and the CN-INDH staff, would provide support to implement the Program expenditure.
- **Effectiveness.** Activities included under the expenditure framework are subject to technical and financial assessments in order to ensure their timely execution at envisaged costs. The following measures will contribute to ensuring effectiveness of the Program activities:
  - An annual midterm review of the budget execution has been recently introduced by the Budget Directorate of the MEFAR with a view to identifying bottlenecks in the budget execution and redeploying the budget appropriations to more performing managers. This measure will be monitored by the Bank's fiduciary team during implementation.
  - Re-instatement of the permanent Fiduciary Coordination Committee, operating during INDH2 phase. This will facilitate better assessment and adaptive management of INDH fiduciary processes.
  - Fiduciary capacity building program for CN-INDH, CRDH, CPDH, and CLDH; especially during the first year of implementation of the Program (to be ensured by the Bank's Fiduciary team staff and the technical assistance envisaged by the Bank financed Program).
  - The Supreme Audit Institution has a standing oversight mandate over public funds. However, an external audit is not annually performed, the external audit of the Program by the IGF will enable to have certified financial statements that would be annually audited.
  - The enhanced use of the Moroccan Public Procurement Portal (PMMP) and the timely publication of the annual procurement plans and contract award results under INDH's CAS sub-authorizing officers and/or on the PMMP will also improve the transparency and the implementation of the program.

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<sup>126</sup> Modified decree n°2-05-1017 of July 19, 2005 by decree n°2-12-86 on May 16, 2012 describes procedures of execution of expenditures in the INDH CAS.



## Review of Public Financial Management Cycle of the entities involved in the Program

### *Legal and Institutional PFM and Procurement Framework*

68. **Fiduciary arrangements.** As an additional institutional tool to more effective decentralization, the creation of the General Secretariat for Regional Affairs (SGAR) was established at the level of the Wilayas to assist the regional human development commission in the allocation of budgetary appropriations for INDH programs between the provinces and the prefectures. The “Walis” and governors remain responsible for the management of INDH funds including implementation. Meanwhile, the governance of the 3<sup>rd</sup> phase of INDH has been revised to allow for greater efficiency in achieving the objectives assigned to it:
- *At the local level:* The CLDH provides participatory diagnosis and the identification of local needs. These committees cover the entire national territory and are presided over by the Pasha and the heads of cercle.
  - *At the provincial level:* The Provincial Human Development Committees (CPDH), chaired by the Governors, will be responsible for the development of the Pluriannual Human Development Programs (PPDH), and the implementation of INDH programs.
  - *At the regional level:* The CRDH, chaired by the Walis of regions, to ensure the coherence of provincial programs and other programs of ministerial departments and local authorities.
  - These governance committees are accompanied, in order to fulfil their prerogatives, by administrative structures such as at the central level: the CN-INDH. As such, CN-INDH is responsible for the design of the programs, the support, monitoring of their implementation, coordination and evaluation.
69. **Third-Party Providers (TPPs):** the execution of activities under INDH3-P4 relies heavily on the contracting of TPPs who are recognized for their prior experience and expertise in their respective areas, as well as sound fiduciary management mechanisms. They include:
- *Fondation Marocaine pour la Promotion de l'enseignement Prescolaire (FMPS):* established in 2008 as non-profit association, has extensive experience in the development of pre-primary education in urban and rural areas of Morocco, including collaboration with INDH under previous phases. It has equipped and managed over 2,200 preschool units enrolling more than 41,000 children and demonstrated its expertise in the design and delivery of training to trainers. In order to ensure the expansion of its network as well as the implementation processes (contracting, equipment, training and recruitment), the FMPS has improved and developed internally an integrated system enabling it to manage all aspects related to the value chain for the implementation of preschool units.
  - *Fondation Zakoura (FZ):* established in 1997 as a non-profit association, it has 25 years of experience in promoting human development and the inclusion of rural and marginalized populations through education, training and empowerment programs which have benefitted to more than 175 000 children, youth, and women, as well as 4,000 community leaders and teachers. In 2015, FZ launched an innovative community-based preschool model “ANEER” and made a significant contribution to the extension of quality ECE in rural areas with the equipment and



management of more than 490 preschools enrolling over 26,000 children. FZ ensures quality through the delivery of initial and in-service training to locally recruited ECE teachers, provision of supervision and coaching by experienced supervisors, and use of educational materials approved by MoE.

- UNICEF is a United Nations Agency which is parallelly providing technical assistance with the Ministry of Health to define the parameters of the community-based approaches that would include: (i) ensuring a minimum quality standard as well as expanded provision of the services of maternity waiting centers (Dar al Oumouma); (ii) developing a cadre of community health workers; and (iii) facilitating linkages between the community outreach and the health centers to enable better utilization of health services. Once this community-based system has been defined, it will be scaled-up in rural areas during the latter years of the INDH-3 program.

70. **The fiduciary assessment of TPPs based on their experience and fiduciary capacity are satisfactory.**

This assessment is comforted by the government's measures to ensure efficient partnerships with TPPs. Indeed, all conventions with TPPs follow the 2003 circular issued by the Chief of Government, which defines clear orientation on partnerships with NGOs, prioritizing: (a) a more flexible partnership framework and consistent with the principles of good governance; (b) improvement of coordination and control, through a conventional framework governed by a logic of results; and (c) promotion of the territoriality of partnerships as part of the consolidation of decentralization. The selection of TPPs is governed by the circular provision to establish an eligibility committee, evaluating their technical and fiduciary capacity. Besides, in order to allow the monitoring and evaluation in terms of partnership, an annual report will be issued before March 31 of each year detailing the results of the execution of the programs, partnership, both physically, financially and accountably. In addition, to the legal and regulatory controls in force, TPPs may be subject to the Regional court of Accounts audit. It is also the responsibility of the authorizing officer to ensure that use of the contribution allocated to associations were used for the intended purposes. In addition, the control of the financial management of associations is reinforced by resort to the certification of their accounts, when the public contributions received for one or more projects exceeds MAD 500,000 (approximately US\$50,000 equivalent). To mitigate the risk of non-preparation of the TPPs financial statements, financial audit TORs of the Program will include TPPs.

71. **PFM and procurement legal and institutional framework are acceptable for the PforR:**

The Moroccan public finance system is governed by a legal and regulatory framework that offers guarantees of acceptable reliability and transparency. Morocco's compliance with rules and regulations and existing accountability arrangements provide an adequate framework for the use of public funds, and PFM is considered broadly transparent.



## Planning and budgeting

### *Adequacy and Credibility of Budgets*

72. **The Organic Law No. 130-13 relating to the Finance Laws (OLFL) (*Loi organique relative aux lois de finances*) promulgated on June 2, 2015, introduced the three-year budget program (*Programme Budgétaire Triennal*) in its Article 5<sup>127</sup> and the program budgeting, which uses statements of missions, goals, and objectives to explain how budgetary resources are executed:** Overall, the planning and budgeting of all entities involved in the program follow a structured, timely, and disciplined process which is consistent with the country's Public Finance Management (PFM) cycle and ensures that allocations fit within the available budget envelope. The 2017 PEFA assesses the country's planning and budgeting procedures as satisfactory (rated A).
73. **The MI through the INDH will prepare its budget and submit it to the MEFAR for approval through the OLFL consequently adopted by the first and second chamber of Parliament.** The provisions relating to multi-year budget programming came into force on January 1, 2019. Multi-year programming, instituted by the OLFL, is a three-year rolling programming approach that ensures budget sustainability, increases managerial accountability and offers better predictability and transparency in public management. The budget program is also a visibility tool for stakeholders in the public debate through the preparation of budget and performance documents that enrich budget information and thus contribute to strengthening the role of the Parliament in public financial control.<sup>128</sup>
74. **At the level of the entities affiliated with the Ministry of Interior (MI), mainly INDH, the planning and budgeting processes are derived from national regulations governing public institutions and they are subject to state financial control.**<sup>129</sup> These rules require: (a) the preparation of the budget after consultation with the technical services (within the limits of the medium-term expenditure framework); (b) approval by the board of directors before the end of the financial year; and (b) subsequent validation by MI. Overall, in recent years, the predictability of their budgets has been moderately satisfactory.
75. **The expenditures of the Program are already planned as part of the Government program "INDH3 2020-2030" and are therefore included in the three-year programming of the Budget Law. Hence, there will be no need to request creation of specific budget lines for program activities.** Specifically, the Program supported by the Bank will cover the Pilar 1 and 2 of Windows 4 of the INDH3 which target interventions aimed at enhancing ECD outcomes. The expenditures planned for 2021 are programmed in detail in the Budget Law. However, the programming for subsequent years is not granular enough and remains at the level of global projects. The Bank will ensure close monitoring during implementation of the Program to support granular programming of this strategy year by year with MI and MEFAR to avoid any inconsistencies between the Program expenses and the disbursement rate.

<sup>127</sup> Article 5 describes that the "the annual budget law is drawn up by reference to a three-year program updated each year in order to adapt it to the country's changing financial, economic and social situation. This programming aims to define, according to realistic and justified economic and financial assumptions, the evolution over three years of all the resources and expenses of the State".

<sup>128</sup> Published guides refer to the existing guides of budget programs construction, performance, expenditures determinants, management dialogue and operational piloting, and the budgetary nomenclature, etc.).

<sup>129</sup> In accordance with Law 69.00 relating to the financial control of the State over public entities.



*Procurement profile of the Program and Planning*

76. **Procurement planning.** The implementing entities are all subject to the procurement planning requirements included in the public procurement decree (No. 2-12-349 of March 20, 2013). Procurement plans of the different implementation agencies are advertised on their web sites and on the electronic government procurement portal (*www.marchespublics.gov.ma*). Procurement plans are prepared for each budget year and contracting entities are obliged to complete the plan before commencing the procurement process.
77. **Procurement profile of the Program.** The detailed review of the Program Expenditure Framework did not reveal potential contracts with a cost estimate above the OPRC review thresholds. Based on the information provided during the assessment, in INDH2, over the period 2016-2018, works contracts represented more than 52 percent of the cost of all contracts awarded, followed by goods contracts with about 32 percent and “Other Category contracts” with about 13 percent of the total cost. Consultant and non-consultant contracts represented less than 3 percent. The value of contracts awarded through Open Competitive Bidding (OCB), shopping and conventions represents about 41.4 percent; 8.3 percent and 48.7 percent, respectively. The procurement profile of the new ECD Program is likely to be similar to that of INDH2.

**Budget execution**

78. **As per 2017 PEFA, Morocco’s overall performance for budget execution is satisfactory.** The country scored A for PI-1 following the PEFA 2017. More recently, and according to the last Settlement Law (loi de règlement) related to the budget execution of the year 2019 published in September 2020 by the Court of Accounts, the budget execution rate reached 101.2 percent with a total actual expenditure of US\$32.8 billion against forecasted expenditures of US\$32.4 billion. The overall budget execution for calendar year 2018 of Morocco reached a total actual expenditure of US\$31.1 billion which represents 5 percent less than total 2019 expenditure.
79. **2019 and 2020 budget execution has a moderately satisfactory performance for INDH.** Budget execution rates of the INDH were 51.1 percent and 45.8 percent respectively in 2019 and 2020. This low rate is explained by two factors: (i) 2019 was the initial year of implementation of INDH3 and the pace of implementation increased progressively during these initial months. Implementation in 2020 was hindered by national and local lockdowns resulting from the pandemic; (ii) the definition of execution rate used by the TGR is not based on payments over commitments but on payments over available budget allocation, which results in lower execution rates. In table 17 below, budget execution rate based on payments over commitments reached respectively in 2019 and 2020, 61.7 percent and 55.5 percent. The pace of implementation, and therefore budget execution rates, would increase starting 2021. It is also worth noting that these execution rates reflect performance under the entire INDH program, and execution under INDH3-P4 has been much higher as documented above.



**Table 21: Budget execution performance**

Ministry/Agency	Type of Data	2019	2020
INDH	Budget Allocation (in MAD)	<b>704,934</b>	<b>659,336</b>
	Budget Execution (in MAD)	<b>360,503</b>	<b>301,792</b>
	Budget Execution Rate	<b>51.1%</b>	<b>45.8%</b>

80. **Treasury management and funds flow including disbursement of DLI to the Treasury Bank Account.** The funds flow arrangements for Program implementation are adequate. The Program’s funds will be reflected in the government budget under INDH and part of them will then be channeled to the TPP involved in the Program via INDH. In fact, the expenditures and revenues of the Program are identified in the State budget through the Budget Law and detailed in the annual MI budgets and those of the implementing entities. This programming is sufficiently clear and detailed to allow adequate reporting on the implementation of the expenditures planned under the Program. For advances, prior results and achieved results, the funds will be disbursed to the Government’s Treasury Single Account. Specifically, the Government would claim disbursements from the World Bank as the DLIs are achieved. All DLIs will be independently verified by the IVA. The IVA will prepare the Results Verification Report, which will be shared with the CN-INDH and the World Bank. A key use of the Results Verification Report will be to confirm and certify the technical achievement of the results/indicators. If the World Bank finds that the disbursement request meets the terms of the Loan Agreement, the World Bank will disburse the corresponding funds to the Treasury Bank Account opened at the Central Bank (Bank Al-Maghrib). The external audit reports will confirm the total expenditures incurred to achieve these DLIs.
81. **Government’s contribution to the Program.** The Government, through its budget execution procedures, will transfer its contribution to the Program through the Treasury Bank Account managed by the public accountant assigned to the INDH.
82. **Accounting.** In Morocco, all financial and accounting operations of the government are carried out, controlled and accounted for according to the public-sector accounting standards presented in the Public Accounting Decree n° 330-66 du 21/04/1967 (*Décret sur la Comptabilité Publique*), which is on cash basis. INDH will apply similar accounting standard for the Program using the Integrated Expenditure Management (IEM) system, which is an integrated set of computerized applications developed in-house. Authorizing officers and accounting officers keep separate accounts called administrative and cash accounts respectively. The administrative accounts kept by the authorizing and sub-authorizing officers are commitment accounts which clearly show the implementation of the budgetary authorizations recorded in the State budget and in the budget of each of the entities participating in the Program. The accounts of the Treasury record the appropriations and the payment of expenditures. The two accounts are reconciled monthly and then annually to reconcile payment orders paid by the accounting officer. Despite some limitations, the State's general accounts, after reprocessing operations at the central level, make it possible to carry out financial analysis, monitor cash flows, and draw up the management charts needed to pilot budget execution. In addition, it enables: (i) the State and local communities accounts to be consolidated; (ii) the production by the Court



of Accounts, within the deadlines, of fully computerized State service accounts; and (iii) the preparation of the State's general accounts and the draft laws presented to Parliament.

83. **Financial reporting.** The CN-INDH will oversee the consolidation of the Program's budget execution report and financial statements. The Program's financial statements will be prepared on a semester basis by this entity. The financial statements will include the financial execution of each Result Area and the data will be collected from INDH and the information management systems used by the TPP. The Program's financial statements will be produced through the web based INDH information system (MIS). This latter was upgraded thanks to the INDH2 PforR to include additional data on procurement and contract progress, as well as selected Fiduciary Key Performance Indicators (FKPI). The INDH MIS permits fiduciary data collection from local to national levels. In more details, at the provincial level, the CPDH, through the provincial level support teams (Division D'action Sociale (DAS)), will carry out close monitoring of execution and provide updated information for the central MIS, allowing for detailed reporting of expenditure and physical outputs. At the national level, the CN-INDH will consolidate the data and produce reports. During implementation, a Program Progress Monitoring Report will also be submitted annually to the Bank. The outline of such Report will include financial statements, physical realizations, progress on RIs, achievement of DLIs, reporting on grievances and allegations of fraud and corruption.
84. **The assessment of the performance of INDH in the areas of budget execution, accounting, and financial reporting processes in implementing Bank-funded operations concluded to a moderately satisfactory performance:**
- **INDH2 (P116201):** According to the ICR, the overall disbursement rate at closing was estimated at 98.5 percent of the total budget of the PforR Program which is a good budget execution rate. No delay was also pointed out in the ICR regarding the preparation of the Program annual accounts.
  - **Supporting the Economic Inclusion of Youth Project (P151169):** The implementation support mission conducted by the Bank in December 2020, identified the following challenges related to budget execution: (i) the budget execution reports for the 2019 financial year of the "Tahfiz" and "Training & Integration" eligible expenditure programs supporting the DLIs have not yet been sent to the Bank. These reports would, in particular, document the advances made on DLI#1; and (ii) the collection and consolidation of financial information, necessary for proper monitoring of the budgetary and financial execution of the program, is still experiencing certain difficulties in terms of coordination between the actors.
85. **The main risk identified** with regards to the existing budget execution, accounting and reporting processes is related to the quality of the consolidated financial reports, which may be compromised by the large number of implementing entities and the lack of a standard reporting format adopted by all these entities. This risk will be mitigated using the reporting template developed in the existing program, which will facilitate the timely production and consolidation of the Program's financial



statements. This template will be enhanced to reflect actual Program features and incorporated into the operations manual.

- 86. **Procurement processes and procedures.** The program is implemented by hundreds of implementing agencies at the regional and provincial/prefecture levels. The procurement processes and procedures at the different agencies were assessed based on: (i) virtual meetings with and data provided by the CN-INDH (at MI); (ii) a virtual meeting with the two Associations Zakoura and FMPS and the two Regional Social Action Divisions (DAS) of Chtouka and Rachidia; and (iii) based on the Bank knowledge of the INDH2 procurement systems. While the local authorities will be responsible for the construction of the PUs and Dar Al Oumouma, TPPs will be in charge of the equipment and management of PUs in accordance with framework and specific agreements between TPPs and local authorities. The different agencies procurement system in place are acceptable, and they provide reasonable assurance on the achievement of core procurement principles. Procurement under the Program will be carried out by both local authorities and TPPs according to the INDH procurement regulations which are mainly based on the Public Procurement Decree (PPD) No.2-12-349 dated 8 “Joumada” 1434 (March 20, 2013). The current legal framework is primarily based on principles of open competition and transparency. Furthermore, Morocco has robust oversight mechanisms, which are carried out during implementation by the TGR and the Court of Accounts (CoA), in the form of audits. As to institutional arrangements, the executing agencies use existing structures for activities they are in charge of, i.e., the existing procurement and accounting department for expenditures through the Division of Budget and Procurement in cooperation with the technical divisions. As to TPPs, they also have their own procurement directorates, auditors and accounting and information systems that **provide reasonable assurance that financing proceeds will be used for intended purposes with the objective of supporting achievement of Program objectives.**
- 87. **Procurement performance.** Based on the information provided during the assessment of INDH2, over the period 2016-2018, the overall program procurement performance was deemed to be satisfactory. Nevertheless, the procurement lead time will be further shortened to make the ECD program implementation more agile. The main procurement performance indicators collected during the assessment are summarized in the table 22 below.

Table 22: Procurement performance

Year	Average length of procurement Processes (days)	Time for preparation of bids (days)	Average bid evaluation time (days)	Distribution of awards by procurement method	Number Of contracts awarded on a sole source basis	Average number of bidders submitting a bid in each bid process.
2020	223	30	65	31 OCB	0	4
2019	234	30	51	73 OCB	1	5
2018	193	30	53	123 OCB 12 Restricted OCB	0	5

Source: INDH National Coordination



88. **Controls, oversight of procurement and audits.** In Morocco, public procurement oversight during the procurement and contract award process is mainly performed by the TGR for the MI and affiliated agencies. While each agency conducts its own procurements, the TGR oversees a network of “public accountants,” who sit on evaluation panels and monitor procurement process throughout both the local and national governments. These accountants have the authority to stop procurements if serious violations are found in the implementation of the tenders. Furthermore, the TGR has implemented the Moroccan Public Procurement Portal (e-procurement) and integrated systems to track and implement budget spending and to process payments. In addition to TGR, the Court of Accounts (CoA) conducts post-closeout audits of procurements and issues reports identifying weaknesses or irregularities that are shared with the public. The CoA’s jurisdiction covers all government acquisitions including those implemented by local governments and state-owned entities. The CoA audits are conducted on a systematic basis and are not done randomly. While the CoA does not have a specialized task force for procurement, it has many technical experts who have specialized knowledge of each of the sectors covered by the CoA. As to TPPs, in addition to the oversight by statutory auditors, they are subject to audit by IGF.
89. **E-procurement.** The ECD Program will rely on the electronic government procurement system (Portail Marocain des Marchés Publics) as required by the Public Procurement Decree and INDH procurement regulations. The electronic procurement portal has increased the availability of procurement-related information such as bid opportunities, calls for proposals, cost estimates, contract-related documentation and results of tendering publicly available. The electronic procurement system includes additional features such as the electronic submission of bids, a supplier database, electronic reverse auctions, and grouped purchases. However, the e-procurement system is not used to fully process bids, including electronic submission. Further to local authorities, one of the two TPPs (FMPS) is also using the Moroccan e-Government Procurement (e-GP) system.
90. **Management of complaints in procurement.** The National Commission for Public Procurement (NCPP) is a newly established independent institution that provide support for procurement across ministries and oversee all procurement complaints. A separate competition subcommittee exists that is comprised of 14 representatives from across the government who provide advice on pending procurements and work to address competition and complaint issues. The NCPP primary function is to act as the venue for bid complaints, and to issue opinions on all aspects of procurement disputes. This not only includes competition disputes, but also corporate structure and Organizational Conflicts of Interest (OCI) issues and mitigation strategies. Prior to the establishment of the NCPP, past assessments have identified though 19 percent of GDP is spent through public procurement, no more than 25 official complaints were filed each year. When a company had a grievance about a contract and suspected wrongdoing, the only option for redress was to file a complaint directly with the procuring entity that had awarded the contract. Many bidders feared retaliation, retribution, or damage to their ability to compete for future tenders. Thus, a key objective behind the reform of the procurement regulatory body was to create a new independent and objective body with the authority to handle grievances. As of today, 105



decisions have been made by NCPP and published on its website.<sup>130</sup>

91. **Fraud, corruption, and debarment of Contractors.** Morocco's new Constitution, enacted on July 1, 2011, explicitly mentions the need to fight corruption and to ensure good governance and transparency as fundamental tools of public sector management. It also recognizes the right to citizen participation in government decision making and public engagement, as well as the right to access public information. The new Constitution sets the groundwork for more transparency and the efficient use of public resources, through Title II on conflict of interest, misconduct in public procurement, misuse of public funds, greater transparency, accountability, and fight against fraud and corruption and through Title XII for good governance. The Nationale Instance for the Prevention Against Corruption (*Instance Centrale de Prévention de la Corruption – ICPC*) oversees the prevention of corruption. It conducts awareness raising and information campaigns and has set up a database and a whistleblowing system to allow citizens to alert on corruption cases.
92. **Contract administration.** The deployment of a new version of INDH Information System will be critical for procurement monitoring.

#### Administrative Controls and Internal Audit

93. **Internal controls.** Overall, INDH through MI has an adequate internal control platform in place. Two guides for public services and NGO were developed during the implementation of the INDH2 (P116201). The assessment by the World Bank of the effectiveness of the current practices within MI and INDH did not reveal any significant issue. Therefore, the Program will use the existing internal control system in the INDH comprising: (i) guidelines for annual budget preparation and implementation, (ii) clear segregation of duties between the payment authorizers and the public accountant, (iii) ex-ante control of the financial controller (*“Trésorier ministériel”*), (iv) acceptable procedures for documentation and record retention, and (v) verification of the eligibility of the expenditure as per requirements in the Program Loan Agreement and Disbursement and Financial Information Letter.
94. **At the local level, the ex-ante control of expenditures of local governments is still performed by the TGR but only on a limited scope (availability of appropriations and classification of the expenditure) and the Coordination Nationale plays a facilitating role vis-à-vis the DAS with respect to procurement control or oversight.** The technical procurement oversight is under the responsibility of MEFAR (TGR). The FM and Procurement sections included in the Guides will be updated as part of the Program Operational Manual (POM) to describe the financial management adopted. As discussed in the FM risk, the operating environment during the COVID-19 pandemic could limit the effectiveness of internal control system whether for reasons of financial constrains or availability of human resources.
95. **To strengthen internal controls at national and local levels, mitigation measures could include the following:** (i) re-establish the Fiduciary Coordination Committee (FCC) established during INDH2 to

<sup>130</sup> <http://www.sgg.gov.ma/Commissionnationaledelacommandepublique.aspx>



provide Program oversight at central level, and develop standard tools and documents, and (ii) design and implement a capacity building program.

96. **Internal Audit.** The assessment of the internal audit arrangements for the INDH1 and 2 has shown that the Inspectorate General of Territorial Administration (IGAT) is endowed with adequate auditors and administrative staff. IGAT's reports are submitted to the Ministry of Interior. The World Bank reviewed the performance of this entity which played the role of an IVA for the INDH2 PforR and other operations in the Morocco portfolio managed by the MI. Its performance was assessed as satisfactory. Internal audit capacity was strengthened in INDH2 at provincial level and would be used in INDH3. During Phase 1, Provincial Internal Auditors (PIAs) have been hired and deployed to improve the control framework. However, PIAs have not been appointed in all provinces due to resource constraints. During Phase II, the capacity of these auditors was built into the provincial action plans, with clear TORs and compliance with audit standards. However, since closing INDH2 five years ago, sustainability of these actions was not ensured. In order to reinforce the decentralization framework advancement, a focus will be introduced to support the Regional Internal Auditors (RIA).

#### Anticorruption arrangements

97. **Risk of fraud and corruption.** The Program ex-ante and ex-post financial controls were found adequate to address the risk of fraud and corruption related to the construction of infrastructures and procurement of goods and equipment under Result Area 2 and 1. These arrangements comprise several effective institutions playing complementary roles: Ombudsman Office, Court of Accounts, the IGAT, the National Commission for Public Procurement (*Commission Nationale de la Commande Publique-CNCP*), and IGF.
98. **Actions related to fraud and corruption.** There were no allegations of Fraud and Corruption under previous INDH programs that were reported to the Bank. The Borrower will: (a) take all appropriate measures to ensure that the Program is carried out in accordance with the Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing" dated February 1, 2012 and revised July 10, 2015; (b) take all appropriate measures to prevent fraud and corruption in connection with the Program, including (but not limited to) adopting and implementing appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the Loan are used only for the purposes for which the Loan was granted; (c) promptly inform the Bank of all credible and material allegations or other indications of fraud and corruption in connection with the Program that come to its attention, together with the investigative and other actions that the Borrower proposes to take with respect thereto; (d) unless otherwise agreed with the Bank with respect to a particular case, take timely and appropriate action to investigate such allegations and indications; report to the Bank on the actions taken in any such investigation, at such intervals as may be agreed between the Borrower and the Bank; and, promptly upon the completion of any such investigation, report to the Bank the findings thereof; (e) if the Borrower or the Bank determines that any person or entity has engaged in fraud and corruption in connection with the Program, take timely and appropriate action, satisfactory to the Bank, to remedy or otherwise address the situation and prevent its



recurrence; and (f) ensure that any person or entity debarred or suspended by the Bank is not awarded contract under or otherwise allowed to participate in the Program during the period of such debarment or suspension. The Bank's debarment list, which is easily accessible, will be checked by all procuring entities before awarding contracts.

99. **Reporting.** The World Bank's prerogative of administrative inquiry for allegations of fraud and corruption has been clarified to the borrower during the Program preparation. The borrower's collaboration with the Bank on the administrative inquiries into allegations which the Bank intends to pursue has been confirmed during preparation. In accordance with the Bank's Anti-Corruption Guidelines, the Program will take steps to ensure that "any person or entity debarred or suspended by the Bank is not awarded a contract under or otherwise allowed to participate in the Program during the period of such debarment or suspension". During the procurement processes, each of the implementing entities will verify the names of the contractor against the Bank's database (<http://www.worldbank.org/debarr>) of debarred or suspended contractors to ensure that no such contractor is awarded any contract under the Program.
100. IGAT will collect — with support from the abovementioned institutions — and report to the World Bank allegations occurring under the Program through the annual progress reports during Program implementation. The reporting format will include the following: (a) location and date of the complaint, (b) allegation's description, (c) description of progress in investigation, and (d) investigation outcome. Also, the IGF, which has extensive experience in auditing programs financed by the World Bank, will pay particular attention to allegations of fraud and compliance with the bank's guidelines in this area. The terms of reference setting out the modalities of intervention of these two institutions will include specific provisions relating to the verification of compliance with the Bank's guidelines on the prevention of fraud and corruption.

### Auditing

101. **Program audit.** The arrangements for external audit of the Program annual financial statements will be performed by the IGF, which is deemed adequate.
102. **The IGF** is the assigned entity in charge of auditing the Bank-funded operations in Morocco except some few projects implemented by State-Owned Enterprises (SOE). This institution of control reporting to the Ministry of Finance is involved in the audits of some of the GoM programs including the standard and statutory mandate. The World Bank carried out a comprehensive assessment of the IGF in 2016, complemented by the 2016 PEFA and annual review<sup>131</sup> of the performance of this entity. The capacity of this institution revealed the following. First, the IGF has built adequate credibility in auditing the GoM's programs over the last 20 years owing to the quality of the staff.<sup>132</sup> Second, the assessment

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<sup>132</sup> About 125 auditors. The recruitment plan includes the integration, on a competitive basis over the three upcoming years, of about 25 new auditors, starting from 2017.



confirms that the entity adequately implements international auditing standards (risk-based process), through web-based audit software called Blue Audit that is used by all the auditors to plan, carry out, and report on their missions. More than 95 percent of the annual plan is executed. The deployment of Blue Audit—which includes a module on recommendation monitoring—has increased the IGF’s efficiency. Third, the IGF has a track record in auditing five PforRs in various sectors including at the subnational level (health, urban transport, municipal management, agribusiness, and integrated risks). The current staffing of the IGF is composed of 85 professional and experienced staff. The fiduciary assessment revealed that the assignment of this new operation to IGF will translate into an increase of activity for the team of IGF. This will require more adequate staffing arrangements including an increase of the current number of staff. To address this foreseen risk that may impact the ability of IGF to meet the deadline, adequate Program resources will be allocated to IGF to fulfil its mission under this Program.

103. **IGAT** will take the responsibility of verifying all DLIs. Owing to its successful involvement in several PforRs, IGAT (under the authority of the MI) has developed a solid reputation as a reliable verification agent in Morocco and its involvement in the proposed operation would constitute a strong plus for monitoring the Program results. The IGF will carry out the audits of the Program annual financial statements based on agreed terms of reference. The scope of those audits will include an opinion on the procurement system (screening to prevent debarred and suspended firms from being awarded contracts). The audit reports will be submitted no later than nine months after the closure of accounts.

#### **Procurement and Financial Management Capacity Assessment of Implementing Entities**

104. **Staff capacity. The Program includes a capacity-building plan to strengthen staff in the various entities of the operation.** The assessment of staff capacity under INDH2 at provincial and regional level identified the limited capacity of the staff at the decentralized levels as the main impediment that could affect implementation of the Program.
105. **The Public Accountant of the INDH will execute the budget following the public expenditure chain through the budget execution software “GID”.** The strengths, weaknesses, and challenges facing the different public accountants of the ministries and related to the participating agencies are similar to the overall ministries of Morocco. Specifically, as shown in the budget execution section of the IFSA as well as the review of additional existing documents gathered and meetings hold with the staff of these entities, the overall FM capacity of INDH is as follow.
106. **INDH:** The FM staff of INDH assigned to the Program is familiar with the IPF and the PforR financing instrument. As mentioned in the section on the budget execution, INDH executed successfully the first Bank PforR operation. The overall fiduciary performance of INDH was rated MS. Regarding the ongoing project “Supporting the economic inclusion of youth” (P151169), the implementation support mission conducted by the Bank in December 2020, concluded that INDH is still facing certain difficulties in the collection and consolidation of the financial information, necessary for proper monitoring of the budgetary and financial execution of the program because of coordinating challenges between the



actors. The 2019 audit report was submitted to the Bank with some delay and the IGF expressed unqualified opinion on the financial statements. However, some internal control weaknesses were identified in the Management Letter and are related to: (i) enhance the internal control system of the implementing entities by elaborating a manual of procedures for budget execution, accounting, financial management, and risk mapping; and (ii) strengthen project data collection through the existing M&E system.

107. **Fondation Marocaine pour la Promotion de l'enseignement Préscolaire (FMPS):** The proposed FM arrangements of the FMPS will enable the establishment of a FM system that satisfies the Bank's minimum requirements under Bank Policy and Directive on PforR Financing. The Finance and Administrative Unit of the FMPS is composed of 7 staff along with 4 staff assigned to FM work. The FM team is familiar with budget preparation and periodic reporting on budget execution. The FMPS adopted the accounting system applicable to NGOs as required by the National Council for Accounting (*Conseil National de la Comptabilité*) in Morocco. The software ATLAS is being used by the FMPS for budgeting and accounting. As described in the FM procedures manual, and documents received during the FSA, FMPS currently manages 51 bank accounts as part of the INDH3 Program. A dedicated staff has been appointed to lead the newly created management control and internal audit unit. Disbursements to each of the 51 bank accounts are made through a partnership fund opened at the level of the province and are based on the conditions and modalities stated in the convention signed between the FMPS and the province. The annual financial statements of the FMPS are audited by the auditing firm "World Audit". The auditor expressed an unqualified opinion on the 2018 and 2019 financial statements. However, the auditor raised some challenges faced by FMSP mainly: (i) significant delays in the disbursement of contribution "grants" by partners and provinces estimated at MAD 66.8 million (approximately US\$7.15 million equivalent) at end of December 2019, which in turn weakened the foundation's cash position and impacted FMPS' capacity to pay on time its debts; and (ii) circulation of substantial amounts of cash in the schools with a potential risk due to the absence of spot checks. In absence of the management letter, the Bank team could not review the recommendations made by the external auditor on the FMPS internal control.
108. **Fondation Zakoura Education (FZ):** The proposed FM arrangements of the FZ satisfy the Bank's minimum requirements under Bank Policy and Directive on PforR Financing. The Directorate of Finance and Administration "DAF" of FZ is composed of 7 staff dedicated to FM work. According to their FM manual and documents gathered during the FSA, the FZ has appropriate FM arrangements in place for budget preparation and periodic reporting on budget execution either on a monthly or a semester basis for the ongoing conventions signed with 14 provinces. In addition to adopting the accounting system applicable to the NGO as required by the "Conseil National de la Comptabilité" in Morocco, the FZ has put in place cost accounting which allows to monitor and report the budget execution of each Province. The software SAGE is being used by the FZ for budgeting and accounting. As described in the FM procedures manual, the FZ currently manages the bank accounts of 14 provinces under the ongoing INDH3 Program. Disbursements to the bank accounts are made through the partnership fund opened at the level of the Province and are based on the conditions and modalities stated in the convention signed between the FZ and the partner and provinces. The fiscal position of the FZ allows from time to



time the NGO to pre-finance some activities. The annual financial statements of the FZ are audited by the auditing firm KPMG. The auditor expressed an unqualified “clean” opinion on the 2018 and 2019 financial statements. In absence of the management letter, the Bank team could not review the recommendations made by the external auditor on the FZ internal control.

109. **Procurement capacity assessment.** The Bank has carried out an assessment of the procurement capacity of implementing agencies based on: (a) virtual meetings with and data provided by the CN-INDH (at MI); (b) a virtual meeting with the two associations FZ and FMPS and the two Regional Social Action Divisions (DAS) of Chtouka and Rachidia; and (c) based on the team knowledge of the INDH2 procurement performance. Procurement activities related to PUs and Dar Al Oumouma Procurement is carried out by local authorities in accordance with INDH procurement regulations (mainly based on the Moroccan public procurement decree) and with the MOE’s norms for construction of pre-school units. As to the equipment of those facilities by these TPPs, equipment, games and pedagogic toolkits are procured in compliance with MOE norms and INDH procurement regulations. FMPS has 3 procurement staff while FZ has one staff. FMPS is well advanced in launching the different tenders for year 2021 (MAD 70 million; approximately US\$7.45 million equivalent) and is well structured to timely implement the program-related procurement. However, for FZ, some delays in carrying out procurement are expected due to only one staff in charge of procurement. As to local authorities, the assessment of staff capacity under INDH2 at provincial and regional levels identified the limited capacity of such staff at the decentralized levels as the main impediment that could affect implementation of the Program.



## ANNEX 5. SUMMARY ENVIRONMENTAL AND SOCIAL SYSTEMS ASSESSMENT

110. **This Environmental and Social Systems Assessment (ESSA) was undertaken by the World Bank as part of the preparation of the Improving Early Childhood Development Outcomes in Rural Morocco PforR.** The PforR is a US\$450 million loan to the Kingdom of Morocco to support the implementation of Phase 3 of the National Initiative for Human Development (INDH3).
111. **The ESSA reviews the Program’s environmental and social management systems.** It assesses their compliance with the provisions of the Bank Policy and Directives on PforR Financing in order to manage Program risks and promote sustainable development. The ESSA focuses on the analysis: (a) of the legislative and regulatory framework: laws, regulations, procedures, etc. (the “system as defined”); and (b) the capacity of the institutions concerned by the Program to effectively implement environmental and social management systems (the “system as applied in practice”). The preparation of the ESSA and the development of measures to strengthen the environmental and social management system benefited from a variety of information and literature review, and an extensive consultation process held on April 1, 2021.
112. **The Program will support both Pillars 1 and 2 of INDH3-P4, namely:**
- Pillar 1: Improving maternal and child health and nutrition
    - Facilitating access to supervised childbirth, particularly in Dar Al Oumouma (DAO) facilities
    - Improving newborn care
    - Strengthen the monitoring of the nutritional status of target populations
    - Contribute to the improvement of the nutritional supply
    - Raising awareness of behavioral changes
  - Pillar 2: Promoting child cognitive and social development
    - Provide early childhood education in rural and remote areas
    - Ensuring the quality of preschool education
    - Public Awareness
113. **The Program Development Objective (PDO) is to improve access to select quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation and coordination of ECD services. Key activities to be supported through the Program include:**
- For the Health/Nutrition component:<sup>133</sup>
    - To contribute to the improvement of maternal and child health by:

<sup>133</sup> With the support of UNICEF, the INDH focuses its efforts on rural and disadvantaged areas and supports the commitments of the Ministry of Health, in the framework of the Health Plan 2025.



- i. Facilitating access to supervised child birth;
    - ii. Contributing to the generalization of prenatal and postnatal care in rural and remote areas;
    - iii. Improving care for newborns.
  - To contribute to the improvement of maternal and child nutrition by fighting against stunted growth and micronutrient deficiency to promote the physical and intellectual development of the child, aiming to:
    - i. Improve monitoring of the nutritional status of target populations;
    - ii. Contribute to improving the nutritional offer;
    - iii. Support awareness to change behavior.
  - For the component relating to preschool education, the actions to be undertaken are:
    - i. 6,000 New Preschool Units (PUs) (Construction / development);
    - ii. Equipment of the created PU;
    - iii. Support for the first two years of operation of the units created.
- 114. **Geographical area of the Program:** It includes the regions of Tanger-Tétouan-Al Hoceima, l’Oriental, Fès-Meknès, Rabat-Salé-Kénitra, Béni-Mellal-Khénifra, Casablanca-Settat, Marrakech-Safi, Draâ-Tafilalet, Souss-Massa, and the provinces of Guelmin, Tan-Tan, and Sidi Ifni.
- 115. **The activities covered by this PforR will be implemented at the central level by the national coordination unit of the INDH in close collaboration with the two other ministries involved,** namely: the Ministry of Health (MoH) for the health/nutrition activities and the Ministry of National Education, Vocational Training, Higher Education and Scientific Research (MoE) for the preschool education activities. The actions of the health/nutrition activities would also be implemented with support from UNICEF in relation to the Health Plan 2025 in collaboration with the newly trained health and nutrition workers to ensure the follow-up and support of Program activities. At the decentralized levels, this implementation will involve the Walis and the governors of the wilayas and provinces concerned. For the preschool education activities, the implementation of the planned actions will also involve third party providers (*Zakoura Foundation, Fondation Marocaine pour la Promotion de l’Enseignement Pré-scolaire - FMPS*) and local associations. The MI, through INDH, is the contracting authority for the PUs and DAOs. The management and development of these structures are the responsibility of the Program's ministerial and associative partners.
- 116. **The governance arrangements provide for a participatory and inclusive approach, based on the involvement of a wide range of stakeholders and various levels of government.** Convergence and participation take place: (a) at the strategic level, with a multisectoral committee that defines broad strategic objectives and priorities and a multisectoral steering committee that ensures the coherence of public policies for human development and assumes overall responsibility for monitoring and



evaluation as well as budgetary guidance; (b) at the operational level, with regional, provincial and local authorities fully responsible for the planning and implementation of activities; and (c) at the diagnostic level, with multisectoral local development committees responsible for developing a participatory diagnosis based on an analysis of local needs for strengthening human development.

117. **The MI, through INDH, oversees the implementation of Program activities of the PU and the DAO.** The management and development of these activities are the responsibility of the Program's ministerial and associative partners.
118. **Limitation of environmental and social risks of the Program.** Given the nature of the Program's activities, which are mostly aimed at promoting human capital, the overall effect of the investments are expected to be beneficial. These positive effects will be maintained over the long term as a result of the following:
- The exclusion, by the very nature of the PforR, of any investment involving significant or major environmental and social risks;
  - The nature of the infrastructure works eligible for the Program, which are small-scale and which will meet, in the case of the Dar Al Oumouma (DAO), a new generation of specifications that meet UNICEF standards and, in the case of the preschool education units (UP), new MoE quality standards;
  - Works and facilities that do not generate major air or noise pollution or significant environmental degradation;
  - The existence of various controllable and effective measures to mitigate potential risks and ensure impact monitoring, both during the construction phase and during the operation of the facilities;
  - The existence of specialized institutions, capable of managing most of the environmental and social aspects of the Program;
  - The existence of appropriate legal tools to effectively manage all aspects of the environmental and social management of the Program.
119. **The Program does not include any activities that are judged to be likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people.** The environmental and social risks and adverse impacts associated with the Program will be reversible and easily mitigated by the proposed measures. They will be easily identified in advance and prevented and reduced to moderate impacts through effective mitigation measures. They will be subject to an environmental monitoring and tracking system that will identify and manage potential risks in real time. Because of their importance to the sustainability of the E&S management system, these mitigation measures have been identified in the E&S action plan. **The main environmental and social risks related to the achievement of the Program's development results and objectives are therefore considered moderate.**
120. **The evaluation, carried out in accordance with the World Bank's Policy on PforR Financing, verifies the extent to which PforR program systems:**



- (a) pay special attention to groups vulnerable to hardship or discrimination, including the poor, the disabled, women and children, the elderly, ethnic minorities, racial groups or other marginalized groups; and, if necessary, take special measures to promote equitable access to Program benefits; and
- (b) incorporate elements recognized as good practice in environmental and social assessment and management, including: (i) early detection of potential impacts; (ii) review of strategic, technical and site alternatives (including the “no action” alternative); (iii) explicit assessment of potential induced, cumulative and transboundary impacts; (iv) identifying measures to mitigate risks and negative environmental or social impacts that cannot otherwise be avoided or minimized; (v) clear articulation of responsibilities and institutional resources to support the implementation of plans; and (vi) responsiveness and accountability through stakeholder consultations, timely dissemination of information on the PforR and appropriate grievance mechanisms.

- 121. The Program will ensure that environmental and social management measures operate within an adequate legal and regulatory framework to guide environmental and social impact assessments, mitigation, management and monitoring at the Program level.
- 122. **The infrastructure activities financed under this Program, which have the potential to generate environmental risks, are those related to the construction works of the PUs (50 m<sup>2</sup>) and the Dar Al Oumouma (100 m<sup>2</sup>).** These risks correspond to those usually encountered in small building construction sites. However, the fact that the units are built identically (single plan) does not mean that they present the same level of impacts and risks. Indeed, their location and the sensitivity of the environment in which they are located will determine the category and the environmental management tool to be applied. These risks have been identified in this ESSA and appropriate mitigation measures have been defined for each phase of preparation, construction and operation.
- 123. **The environmental risks of these activities could be expressed during the different phases of their implementation as detailed below:**
  - Environmental risks during the preparation phase:
    - During this phase, the risk is that environmental aspects may not be taken into account when preparing tender documents and drawing up specifications. This risk could be aggravated if technical alternatives for project design have not been considered rigorously and aspects relating to information and public participation are not taken into account.
    - Another potential risk during this phase is the analysis of the location of future construction sites. Particular attention will be paid to the flooding of sites, the risks of erosion and landslides, the proximity of landfill sites and busy roads. These parameters will be considered as exclusion criteria.
    - It is expected that the PUs and DAOs that will be built during this phase of the INDH will



meet the requirements of the new generation of building specifications. Even though these structures will be located in rural areas, they will meet the international standards of UNICEF (in the case of the DAOs) and the standards of INDH and the MOE (for the PUs). As a result, basic facilities such as drinking water supply and connection to the electrical grid, would be provided. However, during the design phase, it will be ensured that the sanitation system complies with the requirements of Decree No. 2-05-1533 (February 13, 2006) on autonomous sanitation. It will also be ensured that the commune where the construction project is located has a system for collecting and disposing/storing of household waste. Indeed, the main solid waste that will be produced by these facilities will be household waste (the healthcare activities in the case of the DAOs are performed within the care units to which the DAOs are attached).

- The main mitigation measures recommended during this phase consist of:
  - The inclusion under specifications of relevant procurement documents the required safety measures at respective construction site and adherence to environmental norms for the construction site during preparation, implementation and closure of proposed activities, and closure of the site.
  - The required adherence to national regulations (in particular the labor code, the laws and decrees related to environmental management, the laws and decrees related to sanitation or water pollution, etc.) in the preparation of the said specifications.
  - The insertion in the diagnostic sheet of exclusion criteria relating to location of future constructions sites (PU and DAO).

124. The civil works envisaged under the Program are not expected to raise particular risks to public and worker safety. Protection against these risks will be provided in accordance with applicable national regulations. Mitigation measures for these risks will consist mainly of public and stakeholder consultation during site selection.
125. Construction activities may also generate temporary disruptions to economic activities, temporary loss or restriction of access to income, and temporary difficulties for residents in accessing their homes, businesses, and other public facilities (schools, clinics, etc.). However, even if these types of social risks are likely to be low, it is essential to identify and document them during the evaluation and design of the activities in order to plan the necessary measures to avoid or mitigate them, and compensate, when necessary, those affected.
126. Construction sites could be potential venues for the spread of COVID-19 if the necessary distancing, hygiene and mask-wearing measures are not rigorously applied by all personnel. The contracting companies will provide their personnel with all the necessary means of protection to avoid any risk of contamination and propagation. In addition, these companies will put in place an adequate system for



screening and monitoring the health status of all personnel during the entire period of work.

- Environmental risks during the construction phase:
  - This phase will see the start of construction activities, which could: (a) generate solid waste (bags of cement and other types of packaging, residues of construction materials, workers' household waste, etc.); (b) involve nuisances associated with vehicles and machinery (dust, noise, emissions and spills of hydrocarbons and used oils); or (c) result in environmental risks to natural habitats, the quality of surface and ground water as well as cultural heritage.
  - Although not permanent (since they cease with the closure of the work sites), some of the effects may persist (particularly the effects of earthworks, the effects of solid waste and potential spills of oil and grease from machinery) if the conduct and closure of the work sites are not accompanied by environmental compliance procedures:
  - The work may require the use of locally sourced material - which could for instance be taken from nearby quarries.
  - Construction machinery and noisy equipment (jackhammers, air compressors, etc.) will create noise pollution.
  - Dust will be generated by earthworks, improper storage of construction and excavation materials, and construction equipment traffic.
  - The circulation of construction machinery and the possible non-observance of safety instructions may cause accidents to workers.
  - The construction sites will generate waste, which can generate specific forms of pollution.
  - Construction or development work may require traffic detours or pedestrian restrictions and may cause disruptions in the day-to-day activities of local residents.
  - During works, noise and dust levels could negatively affect the local population, especially the most vulnerable people (young children, elderly). It would be important to inform all concerned in this regard and to foresee restrictions for the work during rest periods (e.g.: 21:00 to 7:00), in order to ensure that such nuisances do not generate impacts on the quality of life and health of affected populations.
  - Disruptions to water and electricity services and the closure of public institutions (e.g., schools, clinics, hospitals) and community infrastructure (e.g., markets, slaughterhouses, etc.) due to construction would be subject to consultations with local populations to ensure that people can prepare and have access to alternatives.



- The work could lead to restrictions on access to local services or workplaces frequented by local people.
- Some excavation work could affect cultural heritage. Cultural heritage objects could be damaged during excavation, especially in the case of incidental and unreported finds.
- The flow of workers and heavy machinery could cause safety problems, especially for the most vulnerable people (children, elderly, women). To avoid accidents, structural projects involving such risks will include specific mitigation measures (alternative access roads, signage, etc.) and regular monitoring to verify the safety of the work sites, workers and the surrounding environment.
- Failure to comply with the barrier and distancing measures imposed by the Ministry of Health to prevent COVID-19 contamination could lead to the development of pockets of contamination among workers, their families and people who come in contact with them.
- Some of the work will require the use of vehicles and other machinery. This may result in increased volumes of used oils (identified by the Waste Classification Order as Class DD hazardous waste). These oils include hydraulic oils, engine oils, gearbox oils, lubricating oils, insulating oils and heat transfer fluids.
- Program activities could affect the quality of drinking water sources where they exist nearby.
- Some of the work may involve the cutting or removal of vegetation.
- Mitigation measures that accompany this phase of work consist of:
  - Monitor the implementation of mitigation measures by the respective project “owner” (either the provinces, communes or cercles) in coordination with the designated environmental and social focal point. The latter will check the site monitoring reports provided by the hired companies and will establish, if necessary, actions in case of non-conformity and will follow up on implementation of corrective measures.
  - Comply with the requirements of the construction permit issued by the municipality for activities that present low environmental risks and that can be monitored by the municipality's services.
  - Establish and ensure the respect and application of procedures based on the recommendations of the Ministry of Health in order to avoid COVID-19 contamination among workers and construction site employees.
  - The companies in charge of the civil works will be well informed of all their



environmental, social and health obligations and ensure regular follow-up. In this sense, the **Guide to Good Environmental and Social Practices (GBPES)** will detail the procedure that will allow the E&S focal point to train/raise awareness the companies as soon as they are notified of the service and to monitor the implementation of the mitigation measures identified in this ESSA.

- Environmental risks during the operation phase:
  - The adverse environmental effects of the operations phase could be due to inadequate design, lack of maintenance and upkeep, or improper use or degradation of infrastructure or inadequate enforcement of safety measures.
  - The recommended mitigation measures during this phase of operation generally consist of establishing an organization and monitoring of mitigation measures. The monitoring is done by the entities that operate these activities in coordination with INDH's E&S focal point. These mitigation measures consist of ensuring the existence and proper functioning of firefighting systems, the existence and effective application of safety procedures (including measures in emergency situations) within the PUs and DAOs.

127. The social risks of the Program's activities could arise during the different phases of its implementation, such as discrimination against target populations or vulnerable populations or their limited access to the benefits of the Program; health and safety risks for workers and communities; risks associated with land acquisition, loss of and/or compensation for cultural heritage, and natural disasters; and risks associated with conflicts potentially generated by the Program. All of these risks remain low to moderate, however, the Program will take measures to mitigate social risks, as detailed below, to:

- promote universal access to health and preschool infrastructure, non-discrimination of users and workers; health and safety protection measures for the community, individuals and workers, through the safe design, construction, operation and maintenance of Program activities; or, in the case of existing infrastructure, the establishment of safety measures, inspections or repairs/work, as appropriate; and promote measures to combat child and forced labor.
- include adequate measures to avoid, minimize or mitigate risks to the community, individuals and workers when Program activities are located in areas subject to natural hazards such as floods, being affected by severe weather or other climatic events;
- avoid acquisition of private land or minimize the risks of acquisition of public land and related negative impacts; identify and address economic and social impacts caused by land acquisition or loss of access to natural resources, including those affecting people who do not have full legal rights to the resources they use or occupy; provide sufficient



compensation to purchase replacement assets of equivalent value and to meet necessary transitional expenses paid prior to taking land or restricting access; provide additional livelihood enhancement or restoration measures if the taking of land results in a loss of income-generating opportunities (e.g., the loss of a livelihood, the loss of a livelihood, or the loss of a livelihood) such as loss of agricultural production or employment; restore or replace public infrastructure and community services that may be affected by the Program; and include measures to ensure that land acquisition and related activities are planned and implemented with appropriate disclosure of information, consultation, and informed participation of affected persons; and consider potential adverse effects on physical cultural property and take appropriate measures to avoid, minimize, or mitigate such effects;

- consider the potential for conflict, including distributional equity and racial, ethnic and cultural sensitivities. The environmental and social systems assessment provides a baseline that is used to monitor the performance of environmental and social systems during program implementation and identifies actions, as needed, to improve systems during program preparation and implementation (these are included in the Program Action Plan). Environmental and social risks and impacts, and proposed mitigation measures, if any, will be incorporated into the risk assessment. The assessment includes a review of the arrangements by which the Program activities that affect communities will be disclosed, by which communities will be consulted, and by which they will have recourse for grievances, complaints and recommendations. Measures to address consultation, disclosure and grievances will be appropriate to the activities to be supported under the Program.

128. The evaluation of the implementation of the Environmental and Social Management Plan (ESMP) of phase I of INDH (2005-2010) mainly pointed to the weak capacities of stakeholders in the E&S management of activities. Based on this observation, phase II of INDH (2011-2015) developed a practical and easy-to-use guide to good E&S practices relating to E&S management tools for Program activities. A dissemination plan for this guide was developed by INDH and deployed across the participating regions to cover 1,400 beneficiaries who have been designated E&S focal points at the level of the DAS and eligible municipalities. The guide was then adopted as a reference for the programs implemented by other line ministries and was integrated into other PforRs, including that of the Bank-financed Urban Transport Program (P149653).
129. **The institutional set-up chosen for INDH3 made the “cercles” responsible at the local level, “Les cercles”** (instead of the municipalities in phase II) for the development of the *Initiative Locale de Développement Humain (ILDH)*. However, ILDH implementation is under the responsibility of the province level through DAS'. E&S management capacities at the DAS level will be strengthened to support the implementation of the E&S action plan of INDH3.



130. The INDH phase II E&S management system was effective throughout the duration of the Program and monitoring data at the local level (E&S focal points of DAS and communes) were centralized and consolidated by INDH's E&S focal point. The reporting, which was made at the level of the information system, made it possible to provide information on: (i) the number of field visits carried out by the focal points; (ii) the number of non-conformities noted at the field level; (iii) the number of non-compliances resolved; and (iv) number of reports produced by E&S focal points. The only improvement that was recommended for each supervision mission was to improve the analysis and interpretation of the collected data. Thus, even if the operationalization of the E&S management system is effective, an effort will be made to build capacities with a view to assimilating the concepts making it possible to develop the relevant analyzes even to question the relevance and effectiveness of the tools and consequently participate in the improvement of the E&S management system.
131. **The training module for the INDH E&S focal point and DAS focal points, will focus on the following elements:**
- Regulatory requirements for environmental and social management;
  - Identification and assessment of environmental and social impacts;
  - Categorization of funded activities according to their impact generating potential;
  - Identification of good environmental and social practices and impact mitigation measures; and
  - Monitoring and reporting tools on the implementation of mitigation measures.
132. **Staff who received this training would be equipped and trained to perform the tasks listed in the respective mission statement** for this position. It will be noted that INDH communes already have such a system in place and have a designated environmental and social focal point as a result of their previous INDH phases.
133. **Evaluation of the environmental and social management system.** In order to address the gaps identified in the ESSA, this Program will support specific measures to strengthen the performance of Morocco's environmental and social (E&S) management system. These measures will be implemented through an Environmental and Social Management Action Plan for the Program's activities, incorporating a set of concrete and specific actions.
134. **The Program Action Plan identifies two streams of recommendations.** Each results area includes distinct and complementary activities. The first set of recommendations concerns the strengthening of the environmental and social management system:
- **Guide to Good Environmental and Social Practices (GBPES).** The specific element of the PAP refer to the updating of the GBPES. This guide was developed during phase II of the INDH and will be updated to reflect and understand the new national regulations and take into account the new activities that characterize INDH3. The GBPES requirements for the preparation of an Environmental and Social Management Plan (ESMP) for civil works activities with moderate environmental and/or social risks will also be included in the various contractors'



Conditions of Contract(CoC). The GBPES will also consider possible adverse effects when using donor or national quality standards in the case of Dar Al Oumouma and PUs, which could include: (i) cutting/removal of trees/green cover for construction of the PUs (50m2) and Dar Al Oumouma (300m2); (ii) Excluding the procurement and use of lead based paints, leaded pipes and asbestos; and (iii) siting of independent sanitation systems in accordance with hydrological flows in the site and location of water pumps, drinking water stations etc.

- **The GBPES will be updated by INDH** and for the benefit of its technical services, as well as all stakeholders, to ensure that the environmental and social management procedures are duly understood and fully appropriated, in particular by:
  - technical staff of the relevant departments of the Ministry of Health
  - technical staff of the relevant directorates of the Ministry of Education
  - DAS staff
  - the technical staff of the “cercles”; and
  - the staff of the wilayas and communes concerned
- **The GBPES** will be updated within three months after effectiveness.
- **GBPES validation workshop.** A workshop will be organized to present the essential aspects of the GBPES to the representatives of the main stakeholders of the Program to collect opinions and suggestions, before the preparation of the final version, which will be approved and published by INDH.
- **Focal Point.** A person will be designated to act as the focal point for the environmental and social management of the Program. This focal point will be attached to INDH’s National Coordination Unit and will be responsible based on specific TORs to ensure, in close collaboration with all stakeholders, that:
  - Coordination and monitoring of the implementation of actions to strengthen social and environmental management systems, including the establishment and monitoring of the grievance management system;
  - the collection and centralization of all information relating to social and environmental risks and their mitigation measures;
  - Monitoring and evaluation of the implementation of mitigation measures and integration of data into the information system and reporting (in accordance with the principles described and presented in the GBPES).
- **The E&S management system will be strengthened at the local level by** appointing E&S focal points at the DAS level.



- 135. **The second set of recommendations concerns capacity building and M&E in environmental and social management:**
  - **Dissemination Plan.** The GBPES will serve as the basis for developing training modules for stakeholders and E&S focal points. This training will be integrated into the annual training program for DAS.
  - **Continuous environmental and social monitoring** throughout the duration of the Program, of the Program activities with the monitoring and reporting tools developed in the updated GBPES. The monitoring data will be integrated into the Program's information system in an appropriate and agreed format.
- 136. **All of these actions are documented in the Program Action Plan, which guides the overall formulation of the Program.** The implementation of some of these actions will be strengthened by their integration into the overall Program Action Plan. The table below presents all the elements of the ESSA Action Plan that have been included as part of the Program Action Plan.
- 137. **The cost of all identified actions, concerning both the environmental and social components of the ESSA, are integrated into the overall program budget.**

Table 23 : ESSA Action Plan

Action	Activities	Responsible for	Deadlines	Measures
<b>Actions to strengthen the environmental and social management system</b>				
Environmental and Social Focal Point / PMU	Designation and attachment of an environmental and social focal point to the Program Management Unit	INDH	Within 1 month after loan effectiveness	Appointment of the Environmental and Social Focal Point



	Designation of DAS E&S focal points		INDH, Governors	Within 3 months of Program effectiveness	DAS E&S focal points designated
Grievance Management Mechanism	(a) Development/adaptation of a program-specific grievance form; Information, communication and dissemination to program stakeholders; development of a grievance reporting template  (b) Collection and processing of complaints	INDH/E&S Focal Points	(a) Within 12 months after loan effectiveness (b) Program duration	(a) 1. Model submitted and approved by the World Bank; 2. Number of stakeholders adopting the system and 3. Reporting template submitted and approved by the World Bank (b) Annual report submitted by the E&S focal point	
Environmental and social management tools included in the guide to good environmental and social practices	Updating and inclusion of environmental and social management tools in the GBPES, including health and safety issues, non-discrimination and no-harm provisions, complaint	INDH	Within 3 months after loan effectiveness	Updated GBPES	



	management and civic engagement and processes and procedures required in the case of informal public land acquisition during identification, consultation and compensation.			
<b>Measures to strengthen capacity and monitoring/evaluation in environmental and social management</b>				
Capacity building of relevant stakeholders	(a) Development of the training module for environmental and social focal points on environmental and social management including monitoring tools  (b) Organization of training sessions	INDH	(a) Within 3 months following the finalization of the guide;  (b) 6 months after the design of the training module	(a) Training module developed  (b) Training plan  (c) Reports on the training courses carried out



Strengthening the monitoring and evaluation of the environmental and social management system	(a) Follow-up and reporting; (b) integration into the information system		For the duration of the Program.	Follow-up reports submitted annually by the E&S focal point based on information system data
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138. This draft ESSA report was disseminated to the various stakeholders concerned before **the public consultation and before being published on the national portal of the INDH and on the World Bank website. The public consultations took place on April 1, 2021.** The comments collected during the public consultation were integrated into the ESSA to produce the final version which will also have been posted on the website of the Bank.
139. The public consultation was conducted in partnership with the respective focal points at INDH, which have organized it by inviting all the stakeholders of the Program and the parties affected by the Program's activities. The Bank has facilitated the consultation by presenting the objectives of the Program as well as its environmental risks and impacts. The comments of the participants were recorded in the minutes of the public consultation.<sup>134</sup>

<sup>134</sup> <http://documents1.worldbank.org/curated/en/609301618859823252/pdf/Draft-Environmental-and-Social-Systems-Assessment-ESSA-Improving-Early-Childhood-Development-outcomes-in-rural-Morocco-P173073.pdf>

**.ANNEX 6. PROGRAM ACTION PLAN**

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement
Establish and subsequently maintain throughout the implementation of the Program, a Program Monitoring Committee with a composition and terms of reference acceptable to the Bank and described in the POM	Technical		INDH	Other	No later than 3 months after Loan effectiveness	Letter by INDH confirming establishment of committee and detailing composition of its members and frequency of meetings sent to the Bank
Adopt a Program Operation Manual (POM) according to terms and conditions acceptable to the Bank.	Technical		INDH	Other	No later than 3 months after Loan effectiveness	POM approved by INDH and with Bank no objection is distributed to all entities involved in Program implementation
Carry out an annual external audit of the financial statements of the Program, including follow-up regarding the recommendations of previous audit reports.	Fiduciary Systems		IGF	Recurrent	Yearly	Updated action plan on the implementation of the audit recommendations
The timely publication of the annual procurement plans and contracts award results under INDH's Special Appropriations Fund by local implementing agencies within their offices and/or on the Moroccan Public Procurement Portal	Fiduciary Systems		RC/Provinces/associations	Recurrent	Yearly	The timely publication of the annual procurement plans and contracts award results under INDH's Special Appropriations Fund by local implementing agencies within their offices and/or on the Moroccan Public Procurement Portal.
Appointment of a Regional internal auditor (RIA) at the SGAR level	Fiduciary Systems		INDH-NC/SGAR/Wilayas	Other	2023	Appointment "par décision" of a Regional internal auditor (RIA) at the SGAR level
INDH GRM systems are upgraded and operational at local communities' level, supporting increased transparency and accountability of INDH governance bodies.	Fiduciary Systems		INDH NC/RC	Other	2022	GRM reporting is included in the MIS and will be incorporated in the financial reporting.
Designation and attachment to	Environme		INDH	Other	Within 1 months of	Appointment of the



INDH coordination unit an environmental and social focal point	ntal and Social Systems				Program effectiveness	Environmental and Social Focal Point
Designation of DAS E&S focal points	Environme ntal and Social Systems		INDH, Governors	Other	Within 3 months of Program effectiveness	DAS E&S focal points designated
GRM: (a) Development or adaptation of a Program-specific grievance form; information, communication and dissemination to Program stakeholders; development of a grievance reporting template; and (b) Collection and processing of complaints	Environme ntal and Social Systems		INDH / E&S Focal Point	Other	(a) Within 12 months of Program effectiveness; and (b) Program duration	(a) 1. Model submitted and approved by the World Bank; 2. Number of stakeholders adopting the system; 3. Reporting template submitted and approved by the World Bank; and (b) annual report submitted by the E&S focal point
Updating and inclusion of environmental and social management tools in the GBPES, incl. health/safety, non-discr./prejudice provisions, complaints mgmt/civic engag. & process if informal publ. land acquis. during ident, consult. and compensation.	Environme ntal and Social Systems		INDH	Other	Within 3 months of Program effectiveness	Updated GBPES
(a) Development of the training module for E&S focal points on environmental and social management including monitoring tools; and (b) organization of training sessions	Environme ntal and Social Systems		INDH	Other	(a) within 3 months of GBPES development; and (b) within 6 months of training module development	(a) Training module developed; (b) training plan; and (c) reports on the training courses carried out
Strengthening the monitoring and evaluation of the environmental and social management system through: (a) follow-up and reporting; and (b) integration into the information system	Environme ntal and Social Systems		INDH	Other	For the duration of the Program	Follow-up reports submitted annually by the E&S focal point based on information system data.



**ANNEX 7. IMPLEMENTATION SUPPORT PLAN**

**Main focus of Implementation Support**

- 140. **The implementation support plan takes account of the Program-specific challenges and risks defined in the SORT and highlighted in the assessments carried out for the Program.** Program implementation rests under the responsibility of INDH with targeted implementation support and technical assistance from the World Bank.
- 141. **The World Bank’s bi-annual reviews will cover technical and non-technical aspects of the program,** including financial management, environmental and social management, and implementation arrangements.
- 142. **The World Bank’s implementation support will consist of:**
  - Capacity building activities to strengthen the implementation capacity, covering the technical, fiduciary and environmental and social dimensions
  - Provision of technical advice and implementation support geared to the attainment of the PDOs, DLIs and intermediate results indicators
  - Ongoing monitoring of implementation progress, including regularly reviewing key outcome and intermediate indicators, and identification of bottlenecks
  - Review and verification of DLI progress following agreed protocols
  - Monitoring risks and identification of corresponding mitigation measures
  - Close coordination with other DPs to leverage resources, ensure coordination of efforts, and avoid duplication
- 143. **Fiduciary implementation support would include:**
  - Monitoring implementation progress to ensure that the achievement of Program results and DLIs are of a fiduciary nature
  - Support to the borrower to resolve implementation issues and carry out institutional capacity building
  - Compliance with audit reports, including the implementation of the PAP
  - Monitoring, as relevant, of compliance with the fiduciary provisions of legal covenants
- 144. **A Program fiduciary implementation monitoring tool will be developed (Excel file) and used by all the implementing agencies.** This tool will collect data and generate the following key fiduciary indicators that will serve to monitor the performance of each implementing agency and overall, the performance of the Program, and provide the needed adjustments.

**Table 24: A Program fiduciary implementation monitoring tool**

<b>Procurement (NEW)</b>	<b>Financial management</b>
<ul style="list-style-type: none"> <li>• Number of days and date of invitation to bid to the</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment rate</li> </ul>



<p>date of award</p> <ul style="list-style-type: none"> <li>• Number of days between bid opening and publication of award</li> <li>• Percentage of bid processes declared unsuccessful before contract signature</li> <li>• Percentage of contracts (by number and value) awarded through open competitive bidding</li> <li>• Percentage of contracts (by number and value) awarded on a sole-source basis</li> <li>• Average number of bids received for each of category i.e., works, goods and consulting services</li> <li>• Percentage of contracts (by number and value) with cost increases over award amount</li> <li>• Number of procurement processes carried out to buy a given item in one year</li> <li>• Range of prices paid for a given item</li> </ul>	<ul style="list-style-type: none"> <li>• Timeliness of the Program's annual financial statements.</li> <li>• Timeliness of the Program's audit reports</li> <li>• Implementation of audit recommendations</li> </ul>
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145. **Capacity building.** The financial management and environmental and social management capacity building plans are detailed in the corresponding tables below.

**Table 25: Measures to Build Capacity in Financial Management**

Action	Activities	Responsible	Deadlines	Measures
Relevant national stakeholders' capacities building	Development of the training module on: <ul style="list-style-type: none"> <li>• Financial reporting</li> <li>• Preparation of consolidated financial statements</li> </ul>	World Bank FM team/ CN-INDH	January 2022	<ul style="list-style-type: none"> <li>• Developed training module</li> <li>• Reports on the training have been carried out</li> </ul>
Strengthening fiduciary capacities of regional and local entities involved in the program	Fiduciary capacity building program for CN-INDH, CRDH, CPDH, and CLDH; especially during the first year of implementation of the Program (to be ensured by the Bank's Fiduciary team staff and the technical assistance envisaged by the Bank financed Program).	World Bank FM team/ CN-INDH/CR INDH	January 2022	Reports on the working sessions have been carried out
Strengthening M&E of the financial	Monitoring and reporting	World Bank FM team	December 2021	Follow-up financial reports submitted by all the



management system				implementing entities involved in the program
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**Table 26: Measures to Build Capacity in Environmental and Social Management**

Action	Activities	Responsible	Deadlines	Measures
Capacity building of relevant stakeholders	<ul style="list-style-type: none"> <li>Development of the training module for environmental and social focal points on environmental and social management including monitoring tools</li> <li>Development of the training module on environmental and social management including monitoring tools</li> <li>Organization of training sessions</li> </ul>	CN-INDH	(a) Within 3 months following the finalization of the guide;  (b) 6 months after the design of the training module  <ul style="list-style-type: none"> <li>1st quarter of program implementation</li> <li>From the 1st semester of the implementation of the Program</li> </ul>	<ul style="list-style-type: none"> <li>Training module developed</li> <li>Training plan</li> <li>Reports on the training courses carried out</li> </ul>
Grievance Management Mechanism	(a)Development/adaptation of a program-specific grievance form; Information, communication and dissemination to program stakeholders; development of a grievance reporting template	CN-INDH/E&S Focal Points	(a) Within 12 months of Program effectiveness Program duration For the duration of the program	(a) 1. Model submitted and approved by the World Bank; 2. Number of stakeholders adopting the system and 3. Reporting template submitted and approved by the World Bank; (b) Annual report submitted by the



	(b) Collection and processing of complaints Collection and processing of complaints			E&S focal point Semi-annual report submitted by the ES focal point
Strengthening the monitoring and evaluation of the environmental and social management system	<ul style="list-style-type: none"> <li>• Follow-up and reporting</li> <li>• Integration into the information system</li> </ul>	CN-INDH	For the duration of the Program. Before the end of the 1st year For the duration of the program	<ul style="list-style-type: none"> <li>• Follow-up reports submitted annually by the E&amp;S focal point based on information system data</li> <li>• Follow-up reports submitted by the E&amp;S focal point</li> <li>• Information System</li> </ul>

146. **The World Bank’s implementation support team will be composed of** one Country office-based Task Team Leader (TTL) and two HQ-based TTLs with expertise in early health, nutrition and education, as well as monitoring and evaluation of ECD. It will also include both HQ- and Country office-based technical staff, who will be closely working with the client on a regular basis on implementation monitoring.

**Table 27: Implementation support plan**

Time	Focus	Skills Needed	Resources Estimate
First twelve months	Technical support	Technical expertise in early nutrition and health, with a specific focus on designing and implementing behavior change strategies	8 weeks
	Technical support	Technical expertise in early childhood education, with a specific focus on development/adaptation of classroom observation tools	8 weeks



	Technical support	Technical expertise in multisectoral M&E systems for ECD	8 weeks
	Technical support	Technical expertise in inter-institutional implementation arrangements and coordination mechanisms for ECD	8 weeks
	Support the establishment of social focal points and the strengthening of associated systems	Social and environmental specialists	4 weeks
	Support the establishment of the program implementation arrangements	Operation specialists and decentralization specialist	8 weeks
	Administration	Administrative support	4 weeks
12-48 months	Technical review/support	Technical skills in program focus areas	30 weeks
	FM and procurement training and monitoring	FM and procurement specialists	15 weeks
	Environmental and social monitoring and reporting	Social and environmental specialists	15 weeks
Other	Administration	Administrative support	4 weeks



## ANNEX 8. ADJUSTMENTS TO THE COUNTRY PROGRAM IN RESPONSE TO COVID-19

### *Impact of the Covid-19 pandemic on Morocco and Government response*

147. **Over the past two decades, Morocco has achieved significant economic and social progress due to large public investments and structural reforms along with measures to ensure macroeconomic stability.** High investment efforts and a capital-intensive development model achieved sustained growth, significant improvements toward eradicating extreme poverty, increased life expectancy, greater access to basic public services, and significant public infrastructure development, while falling short of creating sufficient jobs, especially for the young, and reducing geographic and socio-economic inequities. Further, the COVID-19 pandemic is now abruptly pushing the economy into a severe recession, the first one since 1995, and threatening the social and economic gains. The WBG engagement under the 2019-2024 Country Partnership Framework,<sup>135</sup> discussed by the Board of Executive Directors on February 19, 2019 (Report No. 131039-MA), has been adjusted to support the country in its Relief, Restructuring, and Resilient Recovery.
148. **A stringent confinement, collapsing tourism revenues, the disruption of global value chains and an agricultural shock contributed to explain the magnitude of Morocco's recession in 2020.** During the second quarter of 2020, which broadly coincided with the 14-week confinement period, real GDP contracted by 15.1 percent y-o-y. Although activity began to pick up in the third quarter, real GDP contracted by 7.1 percent in 2020. On the production side, although few sectors have been spared, the impact of the crisis has been particularly severe for the hospitality industry and transports, and for the manufacturing segments most exposed to international trade. In addition, agricultural value added contracted by 8 percent because of a severe drought. On the demand side, private consumption contracted by 8.7 percent, partly compensated by a 4.4 percent increase in public consumption. In this context of depressed activity, headline inflation averaged 0.7 percent in 2020 and the share of non-performing loans increased to 8.4 percent of banks' credit portfolio (7.6 percent in December 2019).
149. **The COVID-19 pandemic has had a significant budgetary impact, but the current account deficit fell in 2020.** An increase in certain fiscal expenditures and a sharp contraction in tax revenues led to a deterioration of the budget deficit, which reached 7.7 percent of GDP in 2020. The fiscal expansion and the recession caused the debt to GDP ratio to increase by more than 12 percentage points to 77.8 percent of GDP. The current account performed better than anticipated, closing the year with a deficit of just 1.5 percent of GDP (4.1 percent of GDP in 2019), owing to the sharp contraction of imports and the resilience of workers' remittances. The Moroccan economy has preserved its good access to external finance, with large multilateral disbursements, two successful sovereign bond issuances in international markets (€1 billion in September and US\$3 billion in December), and relatively resilient net foreign direct investment flows. In this context, the stock of foreign exchange reserves has increased by 26.6 percent in 2020, reaching almost 30 percent of GDP, or the equivalent of more than seven months of imports.

<sup>135</sup> The CPF is structured around three strategic focus areas: (A) Promoting Job Creation by the Private Sector; (B) Strengthening Human Capital; and (C) Promoting Inclusive and Resilient Territorial Development. The CPF also includes Governance and Citizen Engagement as its foundational pillar, as well as two cross-cutting themes on Gender and Digital Technology.



150. **After several years of sustained declines, the poverty rate (measured with the US\$3.2 PPP line) is estimated to have increased from 5.8 percent in 2019 to 7.1 percent in 2020.** The crisis is having a significant impact on the labor market, and the unemployment rate has spiked to 11.9 percent (9.2 percent in 2019).
151. **The abrupt slowdown in economic activity is severely affecting jobs and household income.** The Moroccan economy is estimated to have lost almost 432,000 jobs in 2020 (against a net creation of 165,000 jobs the year before) of that 295,000 were in rural areas and 137,000 in urban. The primary sector lost 273,000, 37,000 in the secondary sector, and 282,000 in the tertiary sector. During the second quarter of 2020, which broadly coincides with the lockdown, the average number of hours worked declined by more than half (from 45 to 22 per person per week). Surveys conducted by the National Agency for Statistics (Haut Commissariat au Plan (HCP)) indicate that about two-thirds of workers had to stop their activity during confinement and 62 percent experienced an income loss during that period.
152. **The government’s response to the crisis was initially focused on partially compensating households and firms for the loss of income associated with the lockdown, for which a special Fund was created.** The extrabudgetary special COVID-19 fund was endowed with contributions from the central government and other public entities (primarily SOEs), banks and private companies, individuals and foreign donations, for a total amount of MAD 33.7 billion (US\$3.6 billion, close to 3.1 percent of GDP). These resources were used to fund the public health response to the pandemic and also to finance the distribution of approximately MAD 22.4 billion (2.1 percent of GDP) in direct transfers to formal and informal workers affected by the interruption of economic activities. Other elements of the authorities’ approach to mitigate the impact of the pandemic were: carry-over of social security contributions and tax deferments; an expansionary monetary policy; liquidity injections into the banking system; relaxation of micro-prudential norms to stimulate credit; loan guarantees.<sup>136</sup>
153. **In early August 2020, a recovery plan was announced.** The National Pact for Economic Recovery and Employment set four major medium-term objectives to be jointly pursued by the public and the private sector: accelerating the recovery, safeguarding jobs, fostering the formalization of the economy and improving governance. To meet these objectives, MAD 120 billion (11 percent of GDP) would be mobilized through State guarantees to corporate credits (6.9 percent of GDP), and through the investments of the Mohammed VI Fund (for a targeted size equivalent to 4.1 percent of GDP) (see below for more details on the Mohammed VI Fund (MVI Fund)).
154. **In addition, the authorities are putting forward an ambitious growth enhancing and pro-equity reforms program.** Even prior to the onset of the pandemic, flagging growth rates, slow job creation and persistent

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<sup>136</sup> The Damane Oxygene program was launched on March 26 to support firms’ working capital. It provided a 95 percent guarantee for credits to firms with a yearly turnover of less than 200 million MAD but was also made available for larger companies (turnover between 200 and 500 million MAD). It was later to be complemented by “Relance TPE”, a 95% guarantee for small firms (yearly turnover under 1 million DH) covering credits for up to 10% of yearly turnover and “Damane Relance”, an 80-90% guarantee for larger firms, covering credits for up to 1.5 months of yearly turnover in the case of industrial companies, and 1 month for firms operating in other sectors.



social disparities had prompted the authorities to launch a national debate on how to adjust Morocco's development model. This process has been accelerated by the COVID-19 crisis and, among other major reforms, the government is taking the following actions:

- **A broad-based plan to reform Morocco's social protection framework.** During a first stage (2021-2022), the authorities will concentrate on the universalization of health insurance and the unification of the various existing schemes, a reform that would integrate more than 10 million Moroccans currently covered by the non-contributory basic scheme (RAMED) into the contributory health insurance scheme (AMO). In addition, access to family allowances will be expanded to include self-employed and non-salaried employees. In turn, the second stage (2023-2024) will concentrate on the old age pension scheme and on the expansion of unemployment benefits. The Minister of Finance recently announced the estimated costs of the social protection reform to amount to about 5 percent of GDP when fully implemented.
- **Mohammed VI Investment Fund (MVI Fund).** The law and decree creating the MVI Fund have been adopted respectively in December 2020 and February 2021. As part of the recovery plan, the MVI Fund is being designed by the authorities as a key vehicle to impulse the growth and transformation of the private sector.<sup>137</sup> Thus, the MVI Fund is expected to catalyze private investments to provide equity to viable SMEs operating in strategic sectors for the Moroccan economy (agriculture, tourism, manufacturing, innovation, and growth), while financing commercial infrastructure projects in PPP. The targeted US\$4.5 billion would be funded from US\$1.5 billion seed capital financed by the government and US\$3 billion expected to be mobilized from institutional and private, domestic, and international investors. The Fund will operate mainly through the implementation of thematic sub-funds, managed by private asset managers selected through a competitive process. The World Bank has been supporting the implementation of the MVI Fund through technical assistance since September 2019.
- **Reform of state shareholding policy and SOEs.** As part of the recovery plan, the King announced the creation of an agency in charge of the management of public assets "*Agence Nationale de Gestion Stratégique des Participations de l'État*" (APE). The objective of APE is to drive the transformation of the SOEs sector, for higher performance and revenues, and less reliance on budget transfer and on sovereign guarantees. The mission of APE is to actively manage the State's equity participations in commercial SOEs. The Agency will: (i) oversee the transformation of SOEs to corporations with private-like governance; (ii) ensure the monitoring of SOEs' performance through enhanced and frequent regular reporting, (iii) improve the governance and financial performance of commercial SOEs; (iv) leverage private capital including through privatizations and public listings; and (v) create stronger synergies among SOEs through the grouping of SOEs in the same sector into holdings.

### **WBG support for responding to the crisis**

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<sup>137</sup> Despite various public policies to support the private sector over the last 15 years, the Moroccan productive landscape still presents a persistent gap between a minority of well-performing firms operating in modern sectors, and a majority of informal low-productive actors, unable to generate enough quality jobs for the needs of the Moroccan population. In addition, the Kingdom faces major financing needs for infrastructures with high economic and social impact in a context of tighter fiscal space due to the Covid-19 crisis.



155. **To support Morocco in its efforts to address the impact of COVID-19 pandemic, the WBG engagement has been adjusted according to the three phases of Relief, Restructuring, and Resilient Recovery, and the FY21 programs were reprioritized to free-up lending space to align with the country's priorities specified below:**
- a) **Support to health for saving lives threatened by the virus:** An additional financing and a restructuring of a Health Support Program-for-Results (PforR) (US\$35 million) aiming at strengthening case detection, surveillance and case management were approved by the Board on June 16, 2020. In addition, a Development Policy Financing (DPF) with a Catastrophe Deferred Drawdown Option (CAT-DDO) was restructured to include a health-related catastrophe trigger and as a result, US\$275 million were disbursed on April 3, 2020 [*Relief*].
  - b) **Protecting the poor and vulnerable:** The first of the Financial and Digital Inclusion DPF series (US\$500 million) was approved by the Board on June 22, 2020. The operation had been planned before the onset of COVID-19 pandemic and was adjusted to respond to urgent needs. As such, the first DPF included policy measures for establishing the Special Pandemic Fund CAS-COVID-19 that finances cash transfers to formal and informal sector employees and households [*Relief*]. It also supported the development of a digital ID to facilitate the financial inclusion and expansion of SP programs [*Restructuring*]; a regulatory reform to develop inclusive insurance [*Restructuring and Recovery*]; and an expansion of access to broadband connectivity to reach underserved urban and rural areas [*Restructuring and Recovery*]. Morocco COVID-19 Social Protection Emergency Cash Transfer Response Project (US\$400 million), approved by the Board on December 3, 2020 is supporting the government's safety net response by providing emergency cash transfer and guaranteeing access to and strengthening cash transfer programs to support poor and vulnerable households. This Early Childhood Development (ECD) Program (EUR 383,600,000) will contribute to improve access to selected quality ECD services in rural areas of Morocco and establish mechanisms to strengthen monitoring, evaluation, and coordination of ECD services [*Restructuring*]. Finally, the additional financing to Disaster Risk Management PforR (US\$125 million) under preparation will contribute to scale up our support in this area and to improve the institutional framework to finance disaster risk reduction activities and strengthen financial resilience to natural disasters for targeted populations.
  - c) **Ensuring sustainable private sector led growth and job creation:** The World Bank has restructured the Financing Innovative Startups and SMEs Project to support startups and incubators that have been hard hit by the pandemic [*Restructuring and Recovery*]. As the COVID-19 crisis is expected to increase firms' reliance on digital services, the Financial and Digital Inclusion DPF (see above) promotes access to global digital services, crowdfunding for innovative startups, and cashless payments [*Restructuring and Recovery*]. The second of the DPF series under preparation (US\$400 million, Board presentation June 2021) addresses binding constraints to economic inclusion and development, in order to enhance the financial and digital inclusion of MSMEs and vulnerable populations, especially women, the rural population, and youth. It will put forward ambitious reforms and promote structural changes by leveraging microfinance; insurance; access to bank credit; innovative financing tools; digitalization of the social protection system; the diffusion of secured mobile and e-payments; and an improved corporate legal framework to bolster SMEs' equity financing, increase women's participation in managerial positions, and catalyze private investment. These efforts are expected to boost the



recovery, increase SMEs' access to public procurement, and spur competition in the telecommunication and broadband sector. [*Restructuring and Recovery*]

- d) **Strengthening policies, institutions, and investment for rebuilding better:** The World Bank is supporting this pillar through its support to the *high level COVID-19 economy watch committee* as well as various ministries by providing analytical work and data analytics; and through its support to the reforms to promote competition and investment in the digital infrastructure markets [*Restructuring and Recovery*] and to the reforms of public procurement [*Relief, Restructuring and Recovery*]. The Bank is also supporting the implementation of the Green Generation Strategy through the Morocco Green Generation PforR (US\$250 million) that was approved on December 15, 2020. The program is designed to promote the digital transformation of the agricultural sector, and respond to the current crisis and similar shocks. Finally, the Urban Transport PforR Additional Financing (US\$150 million), approved by the Board on November 3, 2020 aims at supporting the country's urban transport sector in terms of institutional reforms and infrastructure, systems, and services and address emerging mobility needs and priorities (including those related to the negative impact of COVID-19 on mobility).

#### **Selectivity, complementarity, partnerships**

156. Morocco's partner countries and organizations are making a joint effort to support the country during this crisis. A group of financing partners (African Development Bank - AfDB, European Investment Bank - EIB, Agence Française de Développement - AFD, Kreditanstalt für Wiederaufbau - KfW, European Union - EU, and European Bank for Reconstruction and Development - EBRD) has been meeting regularly over the past months to discuss complementarity of support. The WBG is conducting social-economic monitoring analytics with the United Nations Development Program and has published an economic monitor with a special focus on the impact of the COVID-19 crisis. On April 7, 2020, Morocco drew US\$3 billion of available resources under a Precautionary Credit Line with the International Monetary Fund, thereby bolstering their official reserves and supporting economic stability. Further, the authorities have mobilized an additional (non-programmed) US\$1 billion in bilateral and multilateral support in 2020 compared to their pre-COVID-19 plans from international financing institutions (World Bank, AfDB, EBRD, EIB, Islamic Development Bank, and the Arab Monetary Fund) as well as bilateral agencies (KfW, AFD) and the EU.

#### **Financing needs and sources of financing**

157. Overall, Morocco's Treasury's gross fiscal financing needs in 2020 amounted to 17.4 percent of GDP, of which MAD 75.8 billion (close to US\$8.5 billion) were covered externally. Sources of external financing include the following: bonds (US\$4.2 billion); multilateral financing (US\$3.3 billion) and bilateral financing (US\$1 billion). Gross fiscal financing needs are projected to decline to 16 percent of GDP in 2021, and the budget law ceiling for external financing amounts to MAD 41 billion, or US\$4.6 billion at current exchange rates. According to the authorities, close to 80 percent of these external financing, are expected to be covered from multilateral and bilateral sources.