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PROJECT PERFORMANCE ASSESSMENT REPORT



MOROCCO

First and Second Transparency
and Accountability Development
Policy Loan

Report No. 144554

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Report No.: 144554

PROJECT PERFORMANCE ASSESSMENT REPORT

MOROCCO

**FIRST TRANSPARENCY AND ACCOUNTABILITY DEVELOPMENT
POLICY LOAN
(IBRD-82950)**

**SECOND TRANSPARENCY AND ACCOUNTABILITY DEVELOPMENT
POLICY LOAN
(IBRD-85440)**

January 24, 2020

Human Development and Economic Management

Independent Evaluation Group

Currency Equivalents (annual averages)

Currency unit = Moroccan dirham (DH)

2013	\$1.00	DH 8.40
2014	\$1.00	DH 8.40
2015	\$1.00	DH 9.80
2016	\$1.00	DH 9.80

Abbreviations

DPF	development policy financing
DPL	development policy loan
EU	European Union
GDP	gross domestic product
ICR	Implementation Completion and Results Report
ICRR	Implementation Completion and Results Report Review
IEG	Independent Evaluation Group
IMF	International Monetary Fund
M&E	monitoring and evaluation
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	public financial management
PPAR	Project Performance Assessment Report
PPP	public-private partnership
SOE	state-owned enterprise

All dollar amounts are U.S. dollars unless otherwise indicated.

Fiscal Year

Government: January 1–December 31

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This report was prepared by Željko Bogetić and Ismail Arslan, with support from Iradj Alikhani and Anne-Clemence Owen, who assessed the two development policy financing loans during September–December 2019. The report was peer-reviewed by Elena Bardasi and panel-reviewed by Robert Lacey. Patricia Acevedo and Dung Thi Kim Chu provided administrative support.

Principal Ratings

Indicator	ICR	ICR Review	PPAR
Outcome	Moderately satisfactory	Moderately satisfactory	Moderately satisfactory
Risk to development outcome	High	Substantial	Substantial
Bank performance	Moderately satisfactory	Satisfactory	Moderately satisfactory
Borrower performance	Moderately satisfactory	Moderately satisfactory	Satisfactory

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate Independent Evaluation Group product that seeks to independently validate the findings of the ICR. PPAR = Project Performance Assessment Report.

Key Staff Responsible

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Second Transparency and Accountability Development Policy Loan

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Preface

This Project Performance Assessment Report (PPAR) assesses a programmatic series of two development policy operations in Morocco (First and Second Transparency and Accountability Development Policy Loans) implemented during 2013–16 for total financing of the equivalent of \$407 million. The Board approved two single-tranche International Bank for Reconstruction and Development loans of €151.1 million (\$200 million) and \$200 million to Morocco on October 29, 2013 (P130903), and October 22, 2015 (P154041), respectively. The loans were fully disbursed and closed on schedule on December 31, 2014, and December 31, 2016, respectively. These loans supported new constitutional governance principles and rights reforms aimed at increasing transparency and accountability, enhancing citizen engagement, and increasing access to information (the Hakama program). The World Bank also supported a government reform program through parallel technical assistance and sectoral operations.

The purpose of this PPAR is to examine the extent to which the series achieved its development objectives and how well the associated outcomes have been sustained since closure.

The report is based on a review of relevant World Bank Group documentation, including Country Assistance Strategies, development policy financing program documents, the Implementation Completion and Results Report for the series and the validation of that report by the Independent Evaluation Group (IEG), and Bank Group data. The PPAR also draws on public data sources, including those of the government of Morocco and other donors. Stakeholder interviews conducted during an IEG mission and interviews with World Bank staff provided additional information.

IEG is grateful for the cooperation and support provided by representatives of the government of Morocco, civil society organizations, and the private sector. IEG also extends its appreciation to relevant World Bank staff, especially in the World Bank's country office in Rabat. A list of those interviewed is in appendix B.

Following standard IEG procedures, a copy of the draft report was sent to relevant government officials and agencies for their review and feedback. No comments were received.

Summary

This Project Performance Assessment Report assesses two International Bank for Reconstruction and Development loans (First and Second Transparency and Accountability Development Policy Loans, known as Hakama 1 and 2) made to Morocco during 2013–16 and totaling approximately \$407 million. The first operation was approved in October 2013 and the second in October 2015. The European Union and the African Development Bank provided parallel financing in the form of budget support; the European Union and the World Bank also provided technical assistance.

The development objectives of the loans were “to strengthen mechanisms promoting transparency and accountability in the management of public resources, and to support legal reforms fostering open governance in Morocco in line with the new Constitution” (World Bank, Implementation Completion and Results Report ICR4322, 2018). The operations were designed and implemented to help Morocco raise its low economic growth and strengthen the effectiveness of its public expenditure. Although the country had reduced extreme poverty, vulnerability remained high, which fueled a sense of deprivation and created discontent. Morocco was also falling behind other emerging economies.

As the Arab Spring swept across the Middle East and North Africa Region in 2011 and early 2012, Moroccans demonstrated for greater civic rights, accountability, and transparency. The government responded by adopting a new constitution on July 1, 2011, to strengthen the governance framework and introduce foundational changes to the social contract. Some of the high expectations regarding greater administrative transparency, access to information, and the right to petition were not fully met. However, these expectations are consistent with the strategic pillar of the World Bank’s Middle East and North Africa strategy to foster greater citizen voice and participation in the government. This strategy fed directly into the objectives of the Hakama series to strengthen transparency and accountability in the management of public resources, while fostering more open governance.

These objectives were highly relevant to country conditions, government priorities, and World Bank Group strategies. The theory of change linking policy actions to desired outcomes was reasonably robust, and the choice of instrument was appropriate. However, outcome indicators and monitoring arrangements had deficiencies. The program used transparency and accountability as the unifying thread. Macroeconomic and fiduciary conditions provided an adequate environment for budget support.

The efficacy of actions supporting the first objective was **substantial** and of those supporting the second **modest**. The outcome of the series is assessed as **moderately**

satisfactory based on the high relevance of objectives, the modest relevance of design, and mixed efficacy. The risk to development outcome is rated **substantial**, and greater risks may emerge over the longer term.

Quality at entry is rated **moderately satisfactory**, reflecting sound—if somewhat outdated—analytical underpinnings and moderate design deficiencies. Quality of supervision is also rated **moderately satisfactory**. Although policy dialogue was effective, supervision documentation was limited, and maintenance of some important official records was substandard.

Borrower performance is rated **satisfactory**, largely because of success in adopting, implementing, and sustaining deep reforms, although not without some coordination issues.

Monitoring and evaluation quality is rated **modest**. The monitoring and evaluation design was flawed, and shortcomings were not addressed in the second operation. In addition, implementation was partial, and use seems to have been limited.

Lessons

Improved knowledge management and better use of knowledge enhance operational quality. In several areas, the design and implementation of these operations could have been improved by undertaking a Public Expenditure Review, adapting the lessons learned, and preserving and archiving key documentation.

Monitoring and evaluation require attention both at the design stage and during implementation. Inadequacies in reporting requirements and information conservation undermined the World Bank’s ability to monitor progress through written documents. The indicators selected were not well aligned with the parts of the longer-term program from which they were derived.

Greater transparency and better information management are needed to sustain dialogue as World Bank teams and counterparts change. Key elements of the dialogue need to be recorded, per World Bank requirements, and periodic reporting by the borrower should be envisaged as part of the project design and financing agreement. It is important to ensure a smoother transition when task teams change, especially when the program that is part of the policy dialogue is implemented over lengthy periods.

It would be helpful to assess a cluster of mutually reinforcing World Bank operations jointly. For example, assessing related growth programmatic series and the parallel technical assistance could help attain a broader picture of related outcomes and World Bank contributions when different instruments are used in the same country.

1. Background and Context

Country Background

1.1 Morocco's long-term economic performance has been characterized by macroeconomic and political stability but relatively slow growth for a lower-middle-income country. Since 1980, there has been approximately 2.8 percent growth in per capita gross domestic product (GDP) per year, which fell to 1.8 percent between 2008 and 2018. As a result, Morocco has fallen behind some low-income economies in Asia, and other countries in Sub-Saharan Africa have been catching up with it.

1.2 Although extreme poverty, as measured by the international poverty line, is reduced, the most recent poverty assessment (based on 2014 data) found high vulnerability among the population of 34 million people, fueling a sense of deprivation and discontent. Poverty and financial vulnerability fell to 4.8 percent and 12.5 percent, respectively (World Bank 2018c, para. 1.1.1). Although the country made progress on achieving the Millennium Development Goals, it faced major socioeconomic challenges. Despite substantial social spending (37 percent of total public expenditure, excluding debt payments), inequality remained a challenge, with a high and steady Gini coefficient (0.41). Nonincome disparities in socioeconomic well-being and access to basic public services are evident in the high rates of adult illiteracy (30 percent for men, 66 percent for women) and low education completion rates (less than half of first graders go on to complete primary school in rural areas). Public opinion surveys have indicated negative views of the quality of government services among citizens.

1.3 As the Arab Spring movement swept across the Middle East and North Africa Region in 2011 and early 2012, Moroccans demonstrated for greater civic rights, accountability, and transparency. The government responded with a new constitution, adopted July 1, 2011, which included foundational changes to the social contract.

Program Context

1.4 The relatively low per capita growth, combined with inequities and inadequate social outcomes, underscored the importance of strengthening public finance management for greater efficiency and effectiveness of scarce public resources.

Macroeconomic Context

1.5 The GDP growth since 2010 has been positive but low and volatile (table 1.1), with the volatility driven by agriculture. Nevertheless, Morocco managed to weather external shocks and maintain a stable macroeconomic framework. By 2012, Morocco experienced both fiscal and current account deficits because of the global economic

crisis. Growth did not create enough jobs to absorb the available labor, and the official unemployment rate hovered about 10 percent throughout the period. Similarly, despite investment levels averaging close to 35 percent of GDP, inefficiencies dampened the expected impact on growth.

1.6 Morocco's 2013 macroeconomic position reflected three stresses. First, high international oil prices and a sluggish European economy negatively affected the fiscal and external accounts. Second, strong social demands for public sector employment and subsidies led to high expenditures that often did not effectively target their intended recipients. Third, delays in the implementation of fiscal and structural reforms led to higher spending and lower efficiency. Offsetting efforts included the Organic Finance Law,¹ which aimed to improve the efficiency and performance of public expenditure as well as strengthen fiscal discipline. The law also adopted a program-based budget nomenclature (World Bank 2014b, 19).

1.7 Despite these stresses, the macroeconomic framework was adequate at the time of appraisal for each operation, reflecting efforts toward fiscal consolidation. During the Hakama period (2012–18), GDP growth averaged 3.4 percent but was much less on a per capita basis, as noted previously. The government deficit, including grants, was 7.3 percent and 3.7 percent in 2012 and 2018, respectively. The current account deficit fell from 9.6 percent in 2012 to 5.8 percent in 2018. Although stable, the macroframework was based on optimistic assumptions for future GDP growth (especially for 2016 and 2018) and fiscal deficits.

Fiscal Framework

1.8 **Overall.** After 2013, the government initiated fiscal consolidation and revenue mobilization that allowed it to shrink the deficit and control the rise of public debt. Reform of the subsidy system, leading to the full liberalization of fuel prices in 2015 (combined with a fall in international oil prices), contributed to a cut in subsidies by approximately 5 percent of GDP during 2012–18. Measures to improve tax collection through expansion of the tax base, harmonization of tax rates, and efforts to fight tax evasion compensated for the impact of weaker economic activity on tax revenue. Overall, Morocco reduced its budget deficit from 7.3 percent of GDP in 2012 to 3.7 percent in 2018 (table 1.1).

Table 1.1. Economic and Fiscal Indicators, 2012–19

Indicator	2012	2013	2014	2015	2016	2017	2018	2019^a
<i>Output and prices (annual percentage change)</i>								
Real GDP	3.0	4.5	2.7	4.5	1.1	4.1	3.0	3.0
Consumer prices (period average)	1.3	1.9	0.4	1.5	1.6	0.7	1.9	1.4
Consumer prices (end of period)	1.3	1.9	0.4	1.5	1.6	0.7	1.9	0.6
<i>Public finances (percent of GDP)</i>								
Revenue	28.0	27.8	28.0	26.5	26.0	26.6	26.0	26.2
Expenditure	35.3	32.9	32.9	30.7	30.5	30.0	29.7	29.9
Budget balance	-7.3	-5.1	-4.8	-4.2	-4.5	-3.5	-3.7	-3.7
<i>Investment and saving (percent of GDP)</i>								
Gross capital formation	35.0	29.6	32.5	30.8	32.6	32.6	33.2	36.9
Of which nongovernment	29.8	29.6	27.2	25.3	26.9	27.1	27.8	31.4
Gross national savings	25.7	27.1	26.6	28.8	28.4	28.9	27.8	32.9
Of which nongovernment	26.1	25.6	24.6	25.7	25.5	25.1	24.3	29.8
<i>External sector (percent of GDP, unless otherwise indicated)</i>								
Current account excluding official transfers	-9.6	-8.3	-7.6	-2.6	-5.0	-4.5	-5.8	-4.3
Foreign direct investment	2.4	2.8	2.8	2.6	1.5	1.5	2.5	1.8
Gross reserves (\$, billions)	17.4	19.0	20.5	22.8	25.1	26.2	24.4	26.8
Imports of goods and services (\$, percentage change)	2.2	4.3	1.0	16.5	9.5	9.3	12.2	3.4
Exports of goods and services (\$, percentage growth)	2.7	-0.2	9.9	-7.0	3.3	12.7	11.2	5.5
<i>Memorandum items</i>								
Unemployment rate (percent of total labor force)	9.0	9.2	9.9	99.7	9.9	10.2	9.8	—
Gross reserves of imports of goods and services (months)	4.3	4.4	6.0	6.0	6.1	5.7	5.2	5.4

Source: International Monetary Fund 2019a and 2018.

Note: GDP = gross domestic product; — = not available.

a. Estimate based on International Monetary Fund 2018.

1.9 With gradual fiscal consolidation, fiscal deficits averaged 4.9 percent of GDP between 2012 and 2017, broadly within the 4.8 and 5.0 percent originally projected in the program documents for the first and second operations financed by the World Bank.

1.10 The International Monetary Fund (IMF) led the dialogue on fiscal management and fiscal consolidation. The IMF also provided Morocco with a large, two-year precautionary liquidity line, which was approved in August 2012 but not drawn on. It was followed by two additional two-year precautionary liquidity lines. The third review

of this program (in late 2018) noted good overall progress and that “Morocco’s sound macroeconomic policies and reform implementation have helped improve the resilience of the economy” (IMF 2018).

1.11 **Debt.** The rising public sector deficit resulted in accumulation of central government debt, which was close to 65 percent of GDP in 2018, compared with 52 percent a decade earlier. However, as both government officials and World Bank staff indicated, this figure overstated the importance and the sustainability risk of public debt. This was confirmed in a debt sustainability analysis undertaken jointly by the World Bank and the IMF. The latest analysis, summarized in a 2019 Article IV report, concluded that as of the end of February 2018, the level of public debt was sustainable (IMF 2019a).

1.12 **Public financial management.** Public Expenditure and Financial Accountability (PEFA) reviews issued in 2009 and 2016 provide a reference point for assessing the implementation of Hakama.^{2,3} The 2016 PEFA review measured the quality of expenditure management and financial accountability based on data from 2014 to 2016. It included a summary comparison of data from 2006 to 2008, which provided an indication of progress on public financial management (PFM) between those two periods. The PEFA review was the most comprehensive PFM assessment since 2009. Although a comparison of the two PEFA reviews indicates overall progress, challenges remain. In particular, resource allocation and service delivery could be improved. Furthermore, 6 of 31 PEFA indicators (according to the new methodology) were rated D and four were rated C.

Overall Assessment of Adequacy of Macro and Fiscal Framework

1.13 At the time of approval for the first operation, the macroeconomic and fiscal framework was relatively sustainable, stable, and adequate, despite higher-than-projected deficits. Moreover, the level of public debt was moderate and, based on the PEFA review, public fiduciary systems were satisfactory. The weaknesses in budget management were related to allocation inefficiencies (for example, a large share of social expenditures and public investments against limited impact on inequities and growth) that were not assessed.

Program Formulation

1.14 The Hakama program was formulated in response to the evolving situation surrounding the Arab Spring. It called for public finance reform, with the adoption and implementation of a new Organic Finance Law as its starting point, which was based on principles of budgetary efficacy, transparency, and accountability. Complementary

reforms were envisaged in PFM, public enterprise management and control, public service delivery, citizen access to information (e-government), and revenue reform.

1.15 Hakama was part of a broader government effort to implement constitutional reforms aimed at empowering parliament through greater legislative powers and increased oversight of government, enhancing the role and electoral legitimacy of the head of government, strengthening the independence of the judiciary, enhancing participatory democracy and citizen engagement, strengthening the accountability of public institutions, and adopting far-reaching regionalization as a democratic and decentralized system of governance. Implementation of these new constitutional provisions was expected to take 5 years and involve 21 organic laws and more than 240 other laws and regulations. Full implementation was expected to take a decade. Hakama focused on some aspects of this program.

1.16 Hakama was ambitious. It supported broad and deep government reforms that received strong political backing. It introduced outcome-oriented budgeting (or programmatic performance-informed budgeting) covering all levels of government, as well as greater accountability, mainly by empowering civil society through greater budget transparency.

1.17 Hakama followed and built on an earlier public administration reform program supported by the World Bank through four Public Administrative Reform Loans (PARL I–IV) and parallel financing by the European Union (EU). The Independent Evaluation Group (IEG) Implementation Completion and Results Report Review (ICRR) of the last two operations concluded that results were mixed (World Bank 2011b). E-government showed progress, and some PFM areas and civil service reform had more modest advances. The ICRR stated that some of the sustainability risks would be mitigated through adoption of the Organic Finance Law, which had received technical assistance support from the EU (World Bank 2011b, section 7). This law was adopted after much delay in 2015, before approval of the second Hakama operation.

1.18 The EU, the African Development Bank, and the World Bank supported the Hakama program with budget support and technical assistance (World Bank 2013c). The World Bank financed a programmatic series of two transparency and accountability development policy loans (DPLs) for \$407 million and a technical assistance operation for \$4 million (National Governance Framework Implementation Support Project), supported by the Middle East and North Africa Transition Fund. The Local Government Support Project, approved in 2013, had service delivery objectives that contributed to the Hakama program's goals (World Bank 2013b).

1.19 Budget support has been the World Bank’s financial instrument of choice for Morocco during the past decade. DPLs have been either freestanding or in a programmatic series of two approved approximately two years apart. IEG has rated all completed operations moderately satisfactory or better.

1.20 The Hakama program’s approach to public finance was to put in place a system that would enhance governance (especially transparency and accountability) and the efficiency and efficacy of PFM. It was expected that these improvements would result in better overall civil service performance. Experience from the Public Administration Reform Loans indicated that a direct approach to civil service reform would not be effective; therefore, Hakama did not address it. Also, allocational efficiency dimensions (for example, trade-offs among different expenditure categories in achieving desired outcomes) were not addressed directly because the required public expenditure analysis was not done. Nevertheless, there was an expectation, as detailed under the pillar components, that improving intrasectoral allocation would eventually help improve intersectoral allocations and related development outcomes.

2. Relevance of the Objectives and Design

Objectives

2.1 The development objectives of the transparency and accountability DPL series were “to strengthen mechanisms promoting transparency and accountability in the management of public resources, and to support legal reforms fostering open governance in Morocco in line with the new Constitution” (World Bank 2018a, viii).

2.2 The first objective covered (i) adopting performance-informed budgeting, (ii) improving competition and transparency in public procurement and public-private partnerships (PPPs), (iii) enhancing financial control and governance of state-owned enterprises (SOEs) and public agencies, and (iv) modernizing local governance and financial management.

2.3 The second objective covered (i) enhancing fiscal transparency and access to information, (ii) improving citizen voice and engagement, and (iii) providing online access to basic administrative services.

Relevance of the Objectives

Relevance to Government Strategy

2.4 The 2012–16 government program, presented to parliament on January 26, 2012, aimed to enhance the rule of law, advance decentralization, and strengthen governance. The program supported reforms related to the 2012 constitution.⁴

2.5 The challenging and ambitious agenda included the adoption of 243 legal texts, including 21 organic laws that were the basis for the rest of the reform agenda. Some of the texts were adopted at the outset, before the initiation of support from the World Bank and other donors, including the Political Parties Law (2011), the Organic Laws on the House of Representatives and the Upper Chamber (2011 and 2012, respectively), the Organic Law on Local Government Elections (2012), and the Organic Law on Appointment to Senior Positions (2012). The Organic Finance Law was adopted between the two Hakama series operations, as were organic laws on regions and communes (decentralization), public petitions, legislative motions, and access to information, covering the entire public sector. In parallel, line ministries started to develop program-based sectoral strategies to implement the reforms – an iterative process with a significant learning curve that remains ongoing.

2.6 Implementing the program has been challenging, although this was expected given experience elsewhere and in Morocco itself.⁵ Nonetheless, the government is persisting despite delays, changes in administration, and coordination challenges, which reflects the high priority attached to the reforms.

Relevance to World Bank Strategy

2.7 The objectives of the Hakama program were and remain relevant to World Bank Group strategies. Service delivery was one of the three pillars of the 2010–13 Bank Group Country Partnership Strategy. Core policy actions to be supported were the finalization of the draft Organic Finance Law and implementation of the current phase of the human resource reform. One pillar of the 2014–17 Country Partnership Strategy concerned strengthening governance and institutions to improve service delivery. Public finance objectives and activities were embedded in this. All four strategic outcomes under this pillar related to public finance, open governance, service delivery and decentralization, and infrastructure and social services. It also integrated the regional strategy by incorporating voice and participation into planned World Bank efforts, with improved access to information seen as a starting point (World Bank 2009b, paras. 2 and 39).

2.8 The 2014–17 Country Partnership Strategy also foresaw several lending and nonlending activities. World Bank support to public finance under the third result area

was through the Hakama development policy financing (DPF) series and associated technical assistance (some financed by trust funds). However, the proposed analytical work was limited to a PEFA assessment.

2.9 The programmatic series was central to the World Bank strategy and remained so at the closure of the second operation. A new Country Partnership Framework for fiscal years 2019–24 was approved in February 2019 (World Bank 2019).⁶ Many aspects of the programmatic series remain a priority under the Country Partnership Framework, such as the following:

- The emphasis on improving the efficiency of public spending will increase through a new Program-for-Results loan; a Public Expenditure Review (PER) is also in the pipeline of analytical work (World Bank 2019, annex 1, objectives 11 and 12).
- The World Bank will foster broad state-citizen dialogue on the management of public finances, notably tax reform, pension system reform, and administration.

2.10 The policy areas covered by Hakama were strong priorities for both the government and the World Bank. The relevance of the objectives of the series was and remains **high**.

Relevance of Design

2.11 Through this programmatic series, the World Bank provided both budget support to focus reform actions on key policy areas and technical assistance to aid implementation. This complementary approach was appropriate, and the use of DPF had already had successful outcomes in Morocco.⁷ The design of the series included two operations, approved two years apart. This spacing is longer than the one year typical of DPFs but is usual for World Bank budget support to Morocco. The risk of a loss of reform momentum and interruptions in policy dialogue was mitigated by the EU complementary program based on annual disbursements. There was a clear division of labor among the external partners supporting the program (see appendix C).

2.12 Causal links among the objectives, policy areas, and specific reforms were of uneven strength. Under the first objective, a strong and credible link existed between both objectives, the broad areas of reforms, and the specific policy actions. Transparency and accountability in the management of public resources would both support and be supported by greater public disclosure, greater access to information by the public, and greater citizen voice regarding public policy.

2.13 Similar observations also apply to the second objective, although fewer actions were included in the policy matrix, reflecting the less advanced state of preparatory work by the World Bank for open governance compared with that of the public finance agenda. The prior actions for the second operation were not too onerous: they required the adoption of two laws by the Council of Ministers instead of by parliament. However, the policy action had important weaknesses related to providing online access to basic administrative services, especially the obtaining of birth certificates. Neither the program documents nor the mission interviews revealed why this was considered a priority compared with, for example, making appointments in public hospitals. Given that a much broader effort in this area was ongoing, its exclusion from the programmatic series would not have been detrimental to the program.

2.14 The results matrix was the weakest part of the design and affected results achievement. The use of PEFA indicators was inappropriate because the baseline presented was not derived from a formal PEFA review. Hence, reforms and results could not be measured using the selected indicators based on data collected during the prior three years. Further issues were that some outcome indicators were too output oriented and did not measure results, and some reforms (such as PPPs) were not associated with a result.

2.15 Relevance of design is rated **modest**.

3. Implementation

3.1 The DPF series was implemented on schedule over three years, from 2013 to 2016. The first operation was approved by the World Bank's Board in October 2013 and closed in December 2014; the second was approved in October 2015 and closed in December 2016. No safeguards or fiduciary compliance issues or unmanageable macroeconomic or significant fiscal shocks were encountered. Objectives were essentially unchanged. Prior actions are summarized in table 3.1. Program triggers for the second operation were changed in two areas. The proposed decree on fiscal transfers was replaced by a broader (deeper) reform and organic law establishing directly elected and managed regions and a significant increase in their resources (table 3.2). Implementing regulations for SOEs were replaced with an increase in the number of SOEs subject to the new corporate governance code, which aimed to cover larger SOEs and was considered more significant.

Table 3.1. Prior Actions for Objective 1: Strengthening Transparency and Accountability

Subobjective	Prior Actions (DPL 1)	Prior Actions (DPL 2)
Adopting performance-informed budgeting	At least three ministries started testing the new performance-informed budgeting approach with the 2014 budget.	The Organic Budget Law and its implementation decree introducing programmatic performance-oriented budgeting were published in the <i>National Gazette</i> .
	To strengthen managerial accountability and flexibility, the Ministry of Economy and Finance (MEF) issued 13 orders (<i>Arrêtés</i>) alleviating ex ante financial controls for qualified authorizing officers and delegates.	The head of government issued a circular introducing a comprehensive performance monitoring and evaluation policy consisting of the establishment of ministerial performance plans, performance audits, and program evaluations.
		Five ministries transmitted to parliament (i) their 2015 programmatic budget proposals and (ii) the corresponding performance plans. The MEF published on its website the government's medium-term budget framework and the programmatic budget allocations for five ministries.
Improving competition and transparency in public procurement and public-private partnerships	A public procurement decree issued by the head of government to expand its scope to local governments, architects' contracts, and some public agencies, and to introduce e-procurement, was published in the <i>National Gazette</i> .	The council of government approved a draft decree establishing the National Public Contracts Committee, with a mandate on oversight, complaints handling, and training; the committee included nonstate actors.
	The draft law on public-private partnerships was transmitted by the head of government to parliament.	The implementing decree of the Law on Public-Private Partnerships Contracts was published in the <i>National Gazette</i> .
Enhancing financial control and governance of SOEs and public agencies	Decision-making bodies of at least 5 SOEs and agencies, among a list of 10 pilot entities, adopted a resolution and an action plan to implement the new code of corporate governance for SOEs.	Decision-making bodies of 15 additional SOEs and agencies adopted a resolution and an action plan to implement the new code of corporate governance for SOEs.
Modernizing local governance and financial management	The Minister of Interior issued a circular extending the integrated expenditure management system to local governments.	The organic law on regions was published in the <i>National Gazette</i> .

Source: World Bank 2013d and 2015b.

Note: Prior actions are shown as presented in program documents. The first objective of the transparency and accountability DPL series was strengthening transparency and accountability in the management of public resources. DPL = development policy loan; SOE = state-owned enterprise.

Table 3.2. Prior Actions for Objective 2: Fostering Open Governance

Subobjective	Prior Actions (DPL 1)	Prior Actions (DPL 2)
Enhancing fiscal transparency and access to information	The Minister of Economy and Finance adopted a fiscal transparency policy through a decision.	The draft law on access to information was transmitted to parliament.
Improving citizen voice and engagement	The Secretary General of the government adopted and implemented a policy under which draft laws and regulations are published on the website before their submission to the cabinet for adoption. The Minister in Charge of Relations with Parliament and Civil Society adopted a decision establishing a structured national dialogue for the implementation of the constitutional provisions on citizen participation.	The draft organic law on public petitions, in line with the recommendations of the National Dialogue, was adopted by the Council of Ministers.
Providing online access to basic administrative services	A new e-government application allowing citizens to access their birth certificates online was developed and rolled out to 20 provinces and 100 municipalities.	

Source: World Bank 2013d and 2015b.

Note: Prior actions are shown as presented in program documents. The second objective of the transparency and accountability DPL series was supporting legal reforms fostering open governance in Morocco in line with the new constitution. DPL = development policy loan.

3.2 Many revisions to the key indicators came with the move from the first to the second operation. These revisions mainly helped improve the relevance of the indicators to the program actions. The indicators and changes are shown in appendix D.

3.3 Government reshuffles delayed the preparation and implementation of some actions in 2013 and 2015. Further delays were because of the participatory approach to the formulation of laws, which resulted in longer preparation times than expected. Also, coordination issues at the central and local government levels resulted in significant delays in the implementation of the parallel technical assistance operation, which included the capacity building program for parliament.

4. Achievement of the Objectives

Objective 1: Strengthen Transparency and Accountability in the Management of Public Resources

4.1 Many actions implemented under this objective were the culmination of years of policy dialogue. Fundamental reforms, notably the Organic Finance Law, were supported, as were other reforms that were more incremental steps forward. This assessment is based on information gathered during the IEG mission to Morocco and other interviews and from documents, which helped compensate for weaknesses in the results framework. The efficacy of the first objective is rated **substantial**.

Adopting Performance-Informed Budgeting

4.2 The passage of the Organic Finance Law and its implementation decree was one of the main policy achievements of the program. Program-based budgeting reform came into effect in 2018. The IEG mission reviewed the status of implementation with central ministries, as well as the Ministry of Health, and noted that implementation was under way and expected to be reflected in the 2019 budget law. However, the review of the Ministry of Health situation revealed weaknesses in the strategy underpinning its proposals (confirmed by officials interviewed), which reflected the iterative nature of this effort. A recent blog⁸ posted by the Collaborative Africa Budget Reform Initiative notes challenges ahead—including the need for ex post reviews of programs at all levels—in changing the governance structure of ministries and promoting change management through greater collaboration, most notably among the Ministry of Economy and Finance, the Court of Auditors, and parliament.

4.3 Three results framework indicators were initially linked to PEFA indicators, two of which were dropped in the second operation. Based on the 2016 PEFA review, the remaining indicator (PI-8: performance information for service delivery) was exceeded (the target was C from a base of D; the actual outcome was B). However, the data used covered the 2014–16 period, some of which preceded the Organic Finance Law. Therefore, attribution to the DPF's prior actions needs to be interpreted with caution.

4.4 The second indicator—making the performance plans of 10 departments publicly available—was more relevant. Information collected during the mission and confirmed on the Ministry of Economy and Finance website⁹ indicates that the plans for all 33 departments are now public, thus the target has been exceeded. The first program document included an indicator for parliamentary oversight of the budget, which was subsequently dropped. The IEG mission met with representatives of two parliamentary chambers, who believed the government was being held more accountable to parliament

than it was previously. Furthermore, according to published reports,¹⁰ the 2019 budget was approved with a minority of deputies voting against it or abstaining, and the opposition published a critique of reforms that it characterized as “insufficiently deep.”

Improving Competition and Transparency in Public Procurement and Public-Private Partnerships

4.5 This subobjective covered public procurement and PPPs. An indicator in the first operation concerned the existence of an operational legal framework for PPPs, which was dropped in the second operation. According to interviews, the PPP law was approved as a prior action to the second DPF and is operational. It mandated an assessment of the financial viability of proposed PPPs and the publication of PPP contracts. However, the law’s scope is partial, covering most but not all aspects of what is generally considered a PPP (concessions are excluded; see World Bank 2019, annex 1).

4.6 Documentation that the indicator has been met consists of a PPP guide published online by the Directorate of Public Enterprises (Morocco 2018). Some 40 new PPPs under consideration are subject to the new law.¹¹

4.7 With respect to public procurement, the 2016 PEFA review highlighted the new procurement code adopted under the first operation (Morocco 2016, table 3.25). That code mostly addressed shortcomings identified in the previous assessment, such as the need for broader applicability across the public sector and greater transparency and efficiency, which can be considered achievements attributable to the program. The improvements included applicability to SOEs, mandatory procurement plans, the appeal system (partially corrected), tendering and award procedures, standard bidding documents, and sanctions. The IEG mission met with representatives of the independent public contract committee, established in July 2017, which is now operational and in charge of all public procurement. It delivers opinions, responds to objections, and deals with public procurement upstream and its execution. There are no monetary limits to the transactions it oversees. As of October 2018, the commission had considered 36 complaints and resolved 33 of them.

4.8 Two other outcome targets related to this subobjective were met. The number of procuring entities (central government agencies, local governments, and public enterprises) subject to the new procurement rules exceeded the target: 3,589 versus 3,345. According to interviews with the procurement commission, all relevant procurement entities are now subject to the rules. The percentage of savings realized on the procurement of standard supplies also exceeded the target: 27.5 percent versus 10 percent.

Enhancing Financial Control and Governance of State-Owned Enterprises and Public Agencies

4.9 Morocco enhanced financial control and governance in SOEs and public agencies with the adoption of the Code for Corporate Governance in 2012. The prior actions of the first and second operations included the adoption and implementation of the code by SOEs. This subobjective had three outcome targets, two of which were exceeded. Forty SOEs have now adopted a governance plan, and 30 have established a governance committee (lower than the 35 reported in the Implementation Completion and Results Report [ICR]). The target for the latter was 20. The second indicator concerned the adoption of a risk framework. The target was 10; the current number (unchanged from the ICR) is 17. The final indicators called for SOEs to publish on their websites up-to-date financial statements and the membership and activity of their governance structure. This indicator was not met; the ICR reports that 13 instead of 15 SOEs met the target. The Directorate of Public Enterprises confirmed that meeting this target continues to be a challenge. Although some publication occurs, it is not systematic and does not always take place on the SOE's own website. An initiative ongoing since 2014 that aims to publish all relevant information in the *Official Gazette* has had limited success.

Modernizing Local Governance and Financial Management

4.10 Morocco aimed to modernize the management of local government finances and intergovernmental fiscal relations after the enactment of the Organic Finance Law. Among its goals was the reduction of regional disparities by increasing the power of regional governments to manage their own budgets. Modernization covered six areas: (i) a clearer mandate with distinct competencies, (ii) the president of the elected regional government becoming the authorizing officer of the regional budget (previously it was the centrally appointed regional governor), (iii) regional governments managing their own administrative staff, (iv) establishment of a financial management information system for regional governments, (v) a substantial increase in financial resources made available to regional governments (the expected increase was up to tenfold over 10 years), and (vi) increased popular legitimacy (through direct elections of senior regional government officials, as well as increased citizen engagement and petitions).

4.11 The adoption of this law is an important result of the program and contributed directly to efficacy. The two outcome targets for this subobjective were met. All local governments have real-time information on budget execution through integrated financial management, and all produce annual consolidated administrative accounts. All directly elected regional councils and their presidents now have the authority to manage their own regional government budgets. Before the decentralization, subnational governments—regions, prefectures (urban areas), provinces (rural areas), and communes—had a limited

role in the provision of public services and investment and in the management of government revenues and expenditures.

4.12 The IEG mission was informed of recent progress with the preparation of regional development plans for each of 12 regions (6 were scheduled to be completed by the end of 2018). Furthermore, the implementation of the Organic Law on Regions was accelerated by the adoption of approximately 70 complementary legal texts. Finally, fiscal decentralization is progressing; transfers to regions have quadrupled since the law was adopted and are expected to rise by a factor of 2.5 by the early 2020s.

Other: Court of Audit

4.13 Reforms aimed to strengthen the Court of Audit and make its audits publicly available. This was achieved to a significant extent: a number of audits were made public.¹² The court is an integral part of the Hakama program and has benefited from capacity building through EU technical assistance (program document 2, paras. 52 and 62), among other things, and through twinning with an equivalent French institution to strengthen the areas of certifying audited accounts, monitoring implementation of the budget, and evaluating public programs and policies.

Objective 2: Support Legal Reforms Fostering Open Governance

4.14 Achievements under this objective can best be described as “work in progress.” The results framework is weak, and the following assessment is based largely on quantifiable results collected and other sources, notably a recent World Bank case study.¹³ Important legal reforms were adopted by parliament, and some targets were achieved, albeit with delays in most cases. Progress has continued since the series closure. However, much remains to be done to attain open governance and a powerful citizens’ voice. Efficacy is assessed as **modest**.

Enhancing Fiscal Transparency and Access to Information

4.15 The prior actions in the series related to the formulation of a policy on transparency followed by the adoption of a law on public information by the Council of Ministers. The law was passed by parliament in 2018, with significant delay due in part to changes within government and the materialization of stakeholder risk.

4.16 Two indicators were associated with this reform area. The first concerned Morocco joining the Open Government Partnership,¹⁴ since the second operation closed, which was achieved, though with delay, in April 2018. The second indicator was initially based on the Open Budget Index but was then dropped because it was no longer comparable over time. However, the index measuring transparency in how much the government provided information about the budget to the public is now available for 2012 and 2017.¹⁵

This measure, currently at 45 on a scale of 0 (no information) to 100 (maximum information), shows progress during this period, albeit from a relatively low base and well below the benchmark target (60), which indicates an adequate amount of information provided. However, the index may understate the current situation because the Open Budget Index subscore for public participation in the budget process shows a value of zero, which is inconsistent with the evidence of public access to budget laws. In the program document for the second DPL, this indicator was replaced by an intermediate output indicator: a unified information request form and information exchange mechanisms for information officers in at least two ministries. The ICR reported that this was not achieved, but the information collected during the mission was insufficient to verify if this became operational in 2018.

Improving Citizen Voice and Engagement

4.17 This area had three prior actions, the first two under the first operation and the third under the second operation: publication on a website of draft laws and regulations before their submission to cabinet, establishment of a structured national dialogue for the implementation of constitutional provisions on citizens' participation (DPL 1 and DPL 2), and adoption by the Council of Ministers of the draft Organic Law on Petitions. The latter was approved by parliament in 2016. Opinions on the law varied among those interviewed by the mission: many stakeholders stated that the thresholds for taking up a petition appeared to be set too high. This was related to the prior action that required that a draft organic law on public petitions, in line with the recommendations of the National Dialogue, be adopted by the Council of Ministers. However, data on the implementation record were insufficient to test this hypothesis. Nevertheless, several public petitions were launched recently. Among them was one against the use of French nationals (and in favor of Moroccan nationals) in instructing science, and another was in favor of women's inheritance rights.¹⁶

4.18 More than 100 draft legal texts have been published and made available for public comment, an innovation for Morocco. According to mission interviews, all legal texts now go through this process.¹⁷ Government officials also indicated that feedback was collected, summarized, and submitted for parliament's consideration before prioritization of the law concerned. This could not be verified by the mission.

4.19 Another indicator was based on the World Justice Project Rule of Law Index, which measures how the rule of law is experienced and perceived by the general public in 126 countries and jurisdictions worldwide based on extensive household and expert surveys. According to the ICR, this was no longer reported in its original form. An alternative index for open government indicated a decline in Morocco's score from 0.56 (on a scale of 0 to 1.0) in 2014 to 0.51 in 2019.¹⁸ The reasons for this decline may be

because of an actual decline in the rule of law as measured or because of methodological changes.

4.20 The program document for the first DPL had an indicator based on Gallup poll surveys and the question, “Have you voiced your opinion to officials in the past month?” This indicator is no longer available and was dropped.

4.21 The final indicator concerned the percentage of petitions that received a response from the government; the target was 75 percent. This indicator could not be assessed in the ICR owing to delays in making the necessary platform operational.¹⁹ The target had been achieved by mid-2018, although the meaning of “response” in this context is not clearly defined.

Providing Online Access to Basic Administrative Services

4.22 This policy area included a prior action for the first operation but none after that. The action targeted was specific, narrow, and part of a much broader e-government initiative started in 2009.²⁰ The action concerned the implementation of an application called Watiqa, an interministerial cooperation platform that enabled citizens to order birth certificates online and receive them through registered mail. The intention was to reduce and standardize transaction fees. The program document stated that this initiative was requested by civil society. However, mission interviews revealed that even informed civil society stakeholders were unaware of the initiative and that they did not consider it a priority.

4.23 The outcome target was that 5,000 birth certificates would be issued. By 2016 (three years after implementation), 11,024 had been issued. The mission was not provided with an updated figure. Given that the adult population exceeds 20 million, a very small number of people appear to have benefited from this service.

4.24 A United Nations survey of e-government provided a wider perspective on progress under this subobjective. The 2014 report found that Morocco’s overall ranking in e-government had improved by 38 places (from 82nd) and that online services had improved by 26 points (from 56th) compared with 2012. Birth certificates, criminal records, and online appointments in public hospitals were available. However, progress was not sustained during the program and Morocco lost 28 places between 2014 and 2018,²¹ suggesting that reforms were insufficient overall.

5. Ratings

Outcome

5.1 The overall rating of the programmatic series is **moderately satisfactory**. This is based on the high relevance of objectives, the modest relevance of design, the substantial efficacy in achieving the first objective, and the modest efficacy in achieving the second.

Risk to Development Outcome

5.2 The risk to development outcome is rated **substantial**. No sudden significant political change or policy reversals are likely to occur, because most reforms are embedded in legislation. However, sustainability risks to the achievements of the series should not be confused with risks to the long-term program, which is still incomplete and faces more substantial challenges.

5.3 The program has a relatively high risk–high reward initiative with sustainability challenges. The risks are related to institutional capacity, sector strategy formulation and application, and stakeholders’ risks (that is, the risk that various groups involved will not maintain the consensus and ownership needed for the reforms to succeed). The first and third risks were effectively mitigated through the patient approach and consensus-building methods used and in the indirect ways that stakeholder risk was addressed. Nevertheless, stakeholder risk cannot be dismissed given the short time since major governance and accountability reforms took place. Some macroeconomic risk is still present because growth remains fragile and the deficit-to-GDP target has not been achieved. At the sector level, the capacity of various ministries for strategy formulation and implementation remains a constraint to effectiveness.

5.4 The highest risk to sustainability from the start was that laws would not be adopted, would have significant flaws, or would not be properly implemented because the legal and regulatory framework was not completed. These risks have not materialized, as reflected in continuing government rollout of the provisions of the Organic Finance Law and as apparent in the 2019 budget. Despite possible shortcomings in areas related to open governance, stakeholders (including the World Bank) have concluded that the fundamental laws are of good quality and that progress in their implementation implies they are unlikely to be reversed.

5.5 Program sustainability related to open governance depends in part on greater accountability of both government and civil society. This concept is relatively new to Morocco. Technical assistance provided to parliament aims to improve the quality of its

oversight. Think tanks and advocacy groups representing different viewpoints are now operating in Morocco, performing original research and policy assessments.

5.6 Two emerging issues could affect the program's sustainability. First, improvements in allocative efficiency (including public investment) remain slow, resulting in fiscal space being occupied by administrative, wasteful, low-impact, or low-priority expenditures. Second, civil service reform has not yet been addressed. As expressed in the Systematic Country Diagnostic, "Despite modernization efforts, in the context of Public Administration Reform Development Policy Programs, the General Civil Service Regulations, which date from 1958, remain inadequate to meet the requirements for modern human resources management" (World Bank 2018c, section 3.2.2).

5.7 Both the World Bank and the EU intend to continue supporting the Hakama program. World Bank support will be through a Program-for-Results operation and additional analytical work (notably a PER). The EU's involvement will be through the proposed Hakama 2 program.

Bank Performance

5.8 The World Bank played an important role in policy dialogue about the DPL series. The World Bank team demonstrated the skill and capacity to support a sophisticated client and prepare a complex series of operations that contributed significantly to the government's reform agenda. Assessment of Bank performance relies in part on detailed document reviews complemented by interviews; critical policy dialogue was frequently poorly recorded and archived. For example, important email exchanges were not archived in line with World Bank procedures and could not be retrieved when requested by IEG. Minutes of regular meetings were not filed. IEG only became aware of such minutes when the government confirmed that they existed. This constitutes a missed opportunity for broader learning.

5.9 Overall, Bank performance is considered **moderately satisfactory**, based on the assessment of quality at entry and quality of supervision.

Quality at Entry

Strength of the Program

5.10 The program was built on progressively implementing deep reforms in public finance and contributing to greater public sector transparency and accountability. The World Bank had an important role in promoting passage of the Organic Finance Law (and complementary measures), which it had been discussing with the government

since the late 2000s. The World Bank team demonstrated the patience needed to overcome schedule delays resulting from the need to build consensus.

Analytical Underpinning

5.11 The reform program was underpinned by analytical and technical work initiated to support the World Bank's Public Administration Reform Loans to Morocco (PARL I–IV). The performance budgeting initiative was informed by the 2009 PEFA review, the procurement reform by the Country Procurement Assessment Reports of 2003 and 2008, the corporate governance of SOEs by the Corporate Governance Reports on Observance of Standards and Codes of 2002 and 2011, regionalization by the Guidelines on Devolution of 2006 and the Policy Note on Decentralization and Devolution of 2010, and access to information from relevant international conferences and workshops in 2012 and 2013. However, much of this work was outdated and needed supplementation with more recent studies and information from international, comparative indicators of governance, budget openness, and transparency. These included sectoral PERs of the social and justice sectors in 2012 and a public expenditure tracking survey in the health sector. These helped identify sectoral issues before program-based budgeting was rolled out in those sectors, as envisaged under the 2015 Organic Finance Law. However, the quality of the PERs in health and education has been deemed inadequate by the World Bank because the PERs were delayed by five years and based on outdated information.

5.12 The lack of a recent PER meant that there was limited scope to integrate intersectoral allocation issues into the program design; this gap remains unaddressed.²² A PEFA review (based on 2014–16 data) was completed in 2016 but only finalized and disclosed in 2018, by which time it was already outdated and did not reflect changes brought about by the Organic Finance Law. Although it was recognized that much public investment was inefficient and ineffective, the causes of this had not been analyzed. Recent work on this topic became available after series closure.

Identification and Integration of Lessons Learned

5.13 Discussion in the program documents of previous experience and the lessons to be learned from it was weak. The document for the second operation did not discuss any previous experience.

5.14 The analysis of the lessons learned suffered from two shortcomings. First, the experience of other countries undertaking similar reforms was not considered.²³ For example, Moroccan budget reform was inspired by the ongoing French initiative, and France provided technical assistance. Second, relevant experience under the related Public Administration Reform Loan series was not fully tapped. Although PFM reform was relatively successful, civil service reform was not. This issue warranted

consideration given the risk of civil service resistance to the reforms. This risk was partly mitigated through dimensions of the program (transparency, accountability, outcome-oriented budgeting, decentralization) conducive to a more accountable civil service.

5.15 The analysis indicated that although relevant experience was considered, given the ambitious nature of the program, it was narrow and not comprehensive enough. Therefore, certain challenges were not identified, and the program of reforms was unclearly defined beyond the short to medium term, even though it needed to be sustained. This also relates to shortcomings in the World Bank strategy.

Other Aspects

5.16 **Risks.** The following risks were identified in the second or in both operations: political and governance, macroeconomic and fiscal, sector strategies and policies (second DPF, rated **substantial**), technical design (second DPF), institutional capacity for implementation and sustainability (rated **high**), fiduciary (second DPF), environmental and social (second DPF), and stakeholders (including lack of coordination, rated **substantial**).

5.17 **Safeguards and social impact.** Program documents credibly assert that the series will not have any significant effect on the environment, forests, or natural resources. They also indicate that the indirect effects of the promoted policies will be positive. The short-term distributional effects are not expected to be significant; in the long term, inter- and intrasectoral allocations should improve. The positive impacts identified include transparency, more efficient use of public resources, more inclusive governance, and greater citizen engagement. Finally, the program design recognizes that significant gender disparities exist and notes that gender-informed objectives have been incorporated into the Organic Finance Law with implementation supported by an EU project.²⁴ According to a recent United Nations publication, progress has been encouraging.²⁵

5.18 Overall, quality at entry is considered **moderately satisfactory**.

Quality of Supervision

5.19 As often occurs with DPF series, the line between the preparation and the supervision of operations is hard to distinguish. For instance, supervision missions of the first operation also covered the preparation of the second.²⁶ In this series, the operations were approved two years apart, during which effective policy dialogue was sustained through supervision via monthly policy dialogue, policy notes, international benchmarking, advice and comments on the draft texts, consultations, and workshops and training. Additional resources for this support were made available by the World Bank and through a multidonor trust fund (World Bank 2018a, 18). However, reviews of

World Bank documents and field interviews indicate that key members of the World Bank task team changed after approval of the second operation, which resulted in some discontinuity, an altered emphasis in the dialogue, and less focus on public finance issues. The skills mix of the team also changed. However, EU staff and parallel technical assistance filled some of this gap.

5.20 A strong point of the supervision was that it was generally conducted jointly with the EU and the African Development Bank, as explicitly stated by the single completed Implementation Status and Results Report, which was filed in July 2014 and archived after the first supervision mission.²⁷ The Implementation Status and Results Report and aide-mémoire provided snapshots of the implementation progress (although too few), including progress toward triggers for the second operation, and covered parallel technical assistance. Management comments provided the task team with adequate guidance. However, insufficient attention was paid to collecting data on indicators. Also, the ICR mentioned that the communication plan for the program could have been stronger. This area was covered by EU technical assistance, which started late. Finally, the insufficient recording of the scope and understandings reached through policy dialogue made it difficult for the new task team that took over toward the end of the second operation to sustain quality of supervision.

5.21 Overall, the quality of supervision is rated **moderately satisfactory**.

Borrower Performance

5.22 Various parts of the government implemented the program and its reforms. The Ministry of Economy and Finance and the Ministry of General Affairs and Governance acted as coordinators. Various World Bank documents noted coordination challenges between central and line ministries and with subnational governments. This affected the performance of the implementing agencies, including the ministries of Interior; Parliament and Civil Society; Civil Service and Administrative Reform; and Industry, Commerce, Investment and Information and Communications Technology, as well as the Secretary General of the government. Furthermore, the Access to Information Law was passed with some delay and has been implemented slowly.

5.23 Government reporting was not very comprehensive. However, this reflected a flaw in the operation design, with its weak reporting provisions, rather than an inherent weakness in government performance.

5.24 Overall, and in view of the strength and depth of the reform program (especially modernization of the legal framework), borrower performance is rated **satisfactory**.

Monitoring and Evaluation

5.25 The monitoring and evaluation (M&E) system had significant shortcomings. Its overall rating is **modest**.

Design

5.26 The M&E framework for the programmatic series was described in its policy matrix and results framework. Some indicators were dropped in the second operation, and others modified. For the first area of the first pillar, two of three PEFA indicators were dropped and the baseline was changed from 2009 to 2012—erroneously, it turned out, because the 2009 PEFA review used may not have represented the situation at the beginning of the program. Furthermore, PEFA indicators were inappropriate because they would not be able to measure the program’s impact until 2018 at the earliest. Other indicators dropped were parliamentary questions on performance targets and the budget execution rates of five ministries linked to the prior action, both of which were replaced by performance plans available on the Ministry of Economy and Finance website. A disconnect existed between the focus of the reforms (such as performance audits) and the results.

5.27 The indicators related to the second area of the first objective (improving competition and transparency in public procurement and PPPs) did not cover the number of complaints or the number or value of procurements undertaken outside the procurement code. Also, no method was presented to explain how savings from the new approach would be measured. The PPP indicator was output oriented and called for following the law, which replaced a more ambitious—but less easily measurable—indicator of a legal PPP framework that is fully operational. For SOEs (the third area), the three indicators remained substantially unchanged, but the percentage targeted was changed to absolute numbers. One trigger was dropped as a prior action of the second operation, as was the associated expected result. The indicator related to local government (the last area under pillar one) remained unchanged and was adequate.

5.28 The indicators for the first area of the second objective were based on a publicly available international assessment and the adoption of a unified format. The latter was of an intermediate nature, although the former’s broad scope raised attribution concerns. The second area’s indicators suffered from similar issues. Finally, the appropriateness of the birth certificate initiative as a measure of e-government quality is unclear and could not be justified by the stakeholders interviewed.

5.29 Periodic progress reports by the government could have strengthened M&E, but this was not a formal requirement under the operation. Also, given that the series supported a time segment of a much longer program, it would have been acceptable to

use appropriately output-oriented indicators, such as indicators related to progress in implementing fundamental laws that required the adoption of additional legal and regulatory instruments. However, this approach was not followed.

5.30 Finally, the design of the M&E system could have recognized that there would be a lag between the formulation of a law (presentation to the Council of Ministers), its promulgation, and its implementation before initial results would become visible. Assuming evidence of impact would be quantifiable so soon after the initial steps were taken reflected unwarranted optimism and may have resulted in the impact of the operations being understated.

5.31 The parallel technical assistance may have provided an opportunity to perform a more ambitious impact assessment (based on various perceptions or other surveys, for example), but this was not planned.

Implementation

5.32 Implementation of M&E was imperfect, and reporting was inadequate, as reflected in the frequency and quality of World Bank reporting. Furthermore, although some indicators were adjusted between the two operations, more should have been revisited, notably the use of PEFA indicators. The additional lack of required reporting by the government resulted in a consolidated report on indicators not being available at project closing. Furthermore, some indicators were linked to systems still under development, which created a risk they would not be readily available because the systems might not be developed in time. This proved to be the case. The M&E section in the program document for the second operation references joint diagnostics as a source of information, but this lacked specificity.

Use

5.33 World Bank documents and mission interviews did not highlight specific areas where M&E was used or helped drive the dialogue and policy actions.

6. Lessons

6.1 **Better use of knowledge and improved knowledge management contribute to the quality of operations.** This assessment noted several areas where the design and implementation of World Bank operations could have been improved:

- Poor overall public expenditure outcomes for improving shared prosperity reflect inadequate intra- and intersectoral allocations. The former is being managed through outcome-oriented budgeting. The latter has not been a focus

because of a lack of basic diagnostic studies. Recent studies of the public investment program undertaken by the World Bank and the IMF partly addressed this issue. However, a comprehensive PER was last performed more than two decades ago. A new one should be a priority, especially given the number of DPFs being pursued in Morocco.

- Lessons from experience received pro forma treatment. It is not enough to cite a lesson; its effect on the operation design should be explained.
- It is important to preserve key information to maintain institutional knowledge that can inform future operations and policy dialogue.

6.2 Monitoring and evaluation require greater attention during design and implementation.

- Inadequacies in reporting requirements and information conservation undermined the ability of the World Bank and its management to monitor progress. More frequent aide-mémoire are needed, especially after each mission and when there is a significant gap between operations within a DPF series (in this case, two years).
- The indicators selected should be aligned with the time segment of the longer-term program from which they are derived. In this case, some indicators were not fully attributable to or were misaligned with (more ambitious than) the project development objectives or what could be achieved and measured during implementation (approximately three years).
- Implicit assumptions that the reform will eventually improve intersector allocations and service should be validated. This can be accomplished with parallel assessments (in this case, through technical assistance).

6.3 Greater transparency and better information management are needed to sustain dialogue as World Bank teams and counterparts change.

- Key elements of the dialogue need to be recorded, per World Bank requirements, and periodic reporting by the borrower should be envisaged as part of the project design and in the financing agreement. The World Bank team should prepare more frequent progress reports when warranted (for example, after a supervision mission) and when there is a significant delay between operations in a series.

- It is important to ensure a smoother transition when task teams change, especially when the program that is part of the policy dialogue is implemented over lengthy periods.

6.4 It would be helpful to assess a cluster of mutually reinforcing World Bank operations jointly. Including an assessment of the economic growth DPF series might be considered (World Bank 2013a). In this case, other potentially relevant operations would have included the parallel technical assistance provided by the World Bank and other donors (for example, assessing how complementary financing enhanced DPFs) as well as other donor support to Hakama—notably the EU’s support based on the collaborative approach already developed elsewhere (World Bank and European Commission 2015).

¹ Referred to as the Organic Budget Law in World Bank documents. However, Organic Finance Law represents a more accurate translation of the original name in French (*loi organique relative à la loi de finances*). See: http://lof.finances.gov.ma/sites/default/files/loi_organique_130-30_fr18.pdf.

² <https://pefa.org/sites/default/files/assessments/reports/MA-May09-PFMMPR-Public.pdf>

<https://pefa.org/sites/default/files/assessments/reports/MA-Sep16-PFMMPR-Public-with-PEFA-Check.pdf>

³ Even though the Public Expenditure and Financial Accountability review was completed in 2016, it was only made public in 2018 and does not capture the expected favorable effects of the Hakama reforms on public financial management systems.

⁴ The elements of the reforms were as follows: deepening national identity and social cohesion; the rule of law, regionalization, and governance; job creation and economic development; national sovereignty and social development; and strengthening social services. (See World Bank 2018c.)

⁵ A recent World Bank blog on Asia explained that “Reforming the public sector is a constant process to address emerging challenges stemming from an increase in economic sophistication and expanded citizens’ expectation....Typically, significant challenges emerge from the enormous scale and complexity of the reform tasks to be undertaken. This requires levels of commitment, coordination and collaboration that may be without precedent for those involved even when the circumstances are most favorable.” <https://blogs.worldbank.org/governance/addressing-challenges-public-financial-management-and-public-sector-reform-east-asia>.

⁶ The hiatus was due in part to uncertainty and limitations on International Bank for Reconstruction and Development allocation for Morocco before the World Bank’s capital increase.

⁷ The European Union also supported Hakama through budget support. Its analysis also concluded that a sound basis for lending through budget support was present (European Commission 2012).

⁸ The blog post is available at <https://www.cabri-sbo.org/en/blog/2018/programme-based-budgeting-reform-in-morocco-challenges-and-lessons-learned>.

⁹ <https://www.finances.gov.ma/fr/Pages/plf2019.aspx>.

¹⁰ https://www.huffpostmaghreb.com/entry/plf-2019-adoption-en-commission-de-la-premiere-partie-du-projet-de-loi-de-finances_mg_5be94545e4b0769d24cf0a2a.
<https://www.medias24.com/MAROC/ECONOMIE/ECONOMIE/187409-PLF-2019-un-budget-tout-sauf-social-selon-l-opposition.html>.

¹¹ The World Bank Group's 2018 Strategic Country Diagnostic for Morocco provides additional information: "The potential of the existing PPP framework has not been fully exploited . . . 55 percent of the total volume of infrastructure projects involving private sector participation were PPP, the rest consisted of other forms of private sector participation using merchant and partial contracts" (World Bank 2018c).

¹² The following list of relevant audits pertaining to reforms under Hakama are publicly available at <http://www.courdescomptes.ma/fr/Page-27/publications> (portal), which includes <http://www.courdescomptes.ma/fr/Page-27/publications/rapport-annuel/rapport-annuel-de-la-cour-des-comptes-au-titre-des-annees-2016-et-2017/1-215> (annual report); <http://www.courdescomptes.ma/fr/Page-27/publications/rapport-annuel/rapport-preliminaire-sur-lexecution-du-budget-de-letat-pour-lannee-2016/1-203> (2016); <http://www.courdescomptes.ma/fr/Page-27/publications/rapport-thematique/rapport-sur-levaluation-du-systeme-de-la-fonction-publique/2-200> (public finance system); <http://www.courdescomptes.ma/fr/Page-27/publications/rapport-thematique/synthese--secteur-des-etablissements-et-entreprises-publics-au-maroc/2-146>.

¹³ According to a World Bank study, "Citizen engagement in the Hakama DPL stands out in two ways: First, the DPL itself is based on extensive public consultations in the framework of the National Dialogue on citizens' new constitutional rights, government consultations on different aspects of reform as well as online consultations and a nano survey to gather citizens' feedback on the reform agenda. Second, the reforms supported through the DPL directly enable increased citizen engagement in Moroccan public space. Citizens are given the opportunity to access and comment on draft laws, submit petitions, voice their concerns and priorities in public consultations, and benefit from e-government services."
<http://pubdocs.worldbank.org/en/977051497970145435/Case-3-Morocco-Rebuilding-Trust-between-Citizens-and-Government.pdf>.

¹⁴ For more information about Morocco joining the Open Government Partnership, see the U.S.-Middle East Partnership Initiative website at <https://mepi.state.gov/morocco-ogp>.

¹⁵ To view the Open Budget Survey 2017 for Morocco, see the International Budget Partnership website at <https://www.internationalbudget.org/open-budget-survey/results-by-country/country-info/?country=ma>.

¹⁶ For example, the petitions regarding French in schools and women's inheritance rights: <https://www.moroccoworldnews.com/2019/04/269557/morocco-intellectuals-petition-french> and <https://www.moroccoworldnews.com/2018/03/242922/moroccan-public-personalities-sign-petition-womens-inheritance-rights>.

¹⁷ For more information, see the legal analysis of the *Second Draft Law on the Right of Access to Information*: <https://www.article19.org/data/files/medialibrary/37263/Morocco-analysis-RTI-law-draft-two-final-version.pdf>.

¹⁸ See the Rule of Law Indexes for 2012–13 and 2019: https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2019-Single%20Page%20View-Reduced_0.pdf and https://worldjusticeproject.org/sites/default/files/documents/WJP_Index_Report_2012.pdf.

¹⁹ The platform is at <https://www.eparticipation.ma/fr>.

²⁰ The mission was provided with a full list of e-government services (approximately 80) now available online.

²¹ See <http://www.unpan.org/Library/MajorPublications/UNEGovernmentSurvey/PublicEGovernanceSurveyintheNews/tabid/651/mctl/ArticleView/ModuleId/1555/articleId/58649/Default.aspx>.

²² The Country Partnership Framework for fiscal years 2019–24 proposed an Advisory Services and Analytics program that includes a new Public Expenditure Review (World Bank 2019, 66).

²³ References to Slovenia and Indonesia in the program document for the first development policy operation are narrow and limited to maximizing windows of opportunity.

²⁴ Information on an institutional twinning project to reinforce gender equality in public policies is available at <https://www.euneighbours.eu/en/south/stay-informed/news/new-morocco-eu-institutional-twinning-reinforce-gender-equality-public>.

²⁵ See UN Women website for information about implementing gender-responsive budgets: <http://gender-financing.unwomen.org/en/highlights/gender-responsive-budgets-case-of-morocco>.

²⁶ As per the aide-mémoire of the mission fielded between October 27 and November 7, 2014.

²⁷ A second Implementation Status and Results Report was prepared in August 2016, but it is incomplete; for instance, it is void of ratings.

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Appendix A. Basic Data Sheet

Morocco First Transparency and Accountability Development Policy Loan (P130903): Hakama 1

Table A.1. Key Program Data

Financing	Appraisal Estimate (\$, millions)	Actual or Current	
		Estimate (\$, millions)	Actual as Percent of Appraisal Estimate
Total project costs	200	200	100
Loan amount	200	200	100
Cofinancing	0	0	0
Cancellation	0	0	0

Table A.2. Program Dates

Event	Original	Actual
Concept review	09/04/2012	09/04/2012
Negotiations	07/23/2013	07/23/2013
Board approval	10/29/2013	10/29/2013
Signing	12/02/2013	12/02/2013
Effectiveness	12/13/2013	12/13/2013
Closing date	12/31/2014	12/31/2014

Table A.3. Staff Time and Cost

Stage of Program Cycle	World Bank Budget Only	
	Staff time (no. weeks)	Cost ^a (\$, thousands)
Lending		
FY12	12.06	46,767.01
FY13	37.27	123,983.29
FY14	51.62	198,984.42
FY15	24.71	86,873.79
FY16	2.55	9,417.66
Total	128.21	466,026.17
Supervision or ICR		
FY15	10.66	51,798.42
FY16	4.86	23,789.77
Total	15.52	75,588.19

Note: FY = fiscal year; ICR = Implementation Completion and Results Report.

a. Including travel and consultant costs.

Table A.4. Task Team Members

Name	Title ^a	Unit	Responsibility or Specialty
Lending			
Vickram Cuttaree	Program Leader	ECAPF	Team member
Fabian Seiderer	Lead Public Sector Specialist Task	GGO18	Team leader
Anas Abou El Mikias	Consultant	GGO17	
Khadija Sebbata	Program Assistant	MNCMA	Team member
Lida Bteddini	Public Sector Specialist	GGO17	Team member
Philippe De Meneval	Lead Private Sector Specialist	GTC09	Team member
Tracy Hart	Senior Environmental Specialist	GEN01	Team member
Bouchra Belfqih	Assistant Project Manager	GSTDI	Team member
Vivek Srivastava	Lead Public Sector	GGOPS	
Khalid El Massnaoui	Senior Economist	GMF05	
Supervision or ICR			
Anne-Lucie Lefebvre	Senior Republic Sector Specialist	GGO17	Team leader
Fabian Seiderer	Lead Public Sector Specialist	GGO18	Former team leader
Lida Bteddini	Public Sector Specialist	GGO17	Team member
Renaud Seligmann	Practice Manager	GGO23	
Richard J. Carroll	Consultant	GGO17	Team member
Lydia Habhab	Public Sector Analyst	GGO17	Team member
Ali Salamah	Program Assistant	GGO17	Team member

Note: ICR = Implementation Completion and Results Report.

Morocco Second Transparency and Accountability Development Policy Loan (P154041): Hakama 2

Table A.5. Key Program Data

Financing	Appraisal Estimate (\$, millions)	Actual or Current	
		Estimate (\$, millions)	Actual as Percent of Appraisal Estimate
Total project costs	200	200	100
Loan amount	200	200	100
Cofinancing	0	0	0
Cancellation	0	0	0

Table A.6. Program Dates

Event	Original	Actual
Concept review	02/26/2015	02/26/2015
Negotiations	07/28/2015	07/28/2015
Board approval	10/22/2015	10/22/2015
Signing	12/02/2015	12/02/2015
Effectiveness	12/21/2015	12/21/2015
Closing date	12/31/2016	12/31/2016

Table A.7. Staff Time and Cost

Stage of Program Cycle	World Bank Budget Only	
	Staff time (no. weeks)	Cost ^a (\$, thousands)
Lending		
FY15	4.49	21,675.94
FY16	23.78	98,323.16
FY17	2.05	6,814.2
Total	30.32	126,813.3
Supervision or ICR		
FY16	2.43	12,607.08
FY17	6.45	36,098.38
FY18	3.4	18,255.72
Total	12.28	66,961.18

Note: FY = fiscal year; ICR = Implementation Completion and Results Report.

a. Including travel and consultant costs.

Table A.8. Task Team Members

Name	Title ^a	Unit	Responsibility or Specialty
Lending			
Vickram Cuttaree	Program Leader	ECAPF	Team member
Fabian Seiderer	Lead Public Sector Specialist Task	GGO18	Task team leader
Anas Abou El Mikias	Consultant	GGO17	
Khadija Sebbata	Program Assistant	MNCMA	Team member
Lida Bteddini	Public Sector Specialist	GGO17	Team member
Philippe De Meneval	Lead Private Sector Specialist	GTC09	Team member
Tracy Hart	Senior Environmental Specialist	GEN01	Team member
Bouchra Belfqih	Assistant Project Manager	GSTDI	Team member
Vivek Srivastava	Lead Public Sector	GGOPS	

Khalid El Massnaoui	Senior Economist	GMF05	
Supervision or ICR			
Anne-Lucie Lefebvre	Senior Republic Sector Specialist	GGO17	Task team leader
Fabian Seiderer	Lead Public Sector Specialist	GGO18	Former team leader
Lida Bteddini	Public Sector Specialist	GGO17	Team member
Renaud Seligmann	Practice Manager	GGO23	
Richard J. Carroll	Consultant	GGO17	Team member
Lydia Habhab	Public Sector Analyst	GGO17	Team member
Ali Salamah	Program Assistant	GGO17	Team member

Note: ICR = Implementation Completion and Results Report.

Appendix B. List of Persons Met

World Bank

Jaafar Sadok Friaa, Sustainable Development Program Leader

Abdoulaye Keita, Senior Procurement Specialist

Ousmane Kolie, Senior Financial Management Specialist

Anne-Lucie Lefebvre, Senior Public Sector Specialist

Marie-Francoise Marie-Nelly, Country Director

Laila Moudden, Financial Management Analyst

Fabian Seiderer, Team Leader

Gabriel Sensenbrenner, Program Leader

Government—Other Agencies

Abbar, Public Accounts Director, General Treasury of the Kingdom (Trésorerie générale du royaume [TGR])

Khalid Adennoun, Coordinator of the Transition Fund Project (part of Hakama technical assistance implantation support), House of Representatives

Aziz Benchekroun, State Controller DO1/DEEM, Direction des Entreprises Privées et de la Privatisation (DEPP)

Bensouda, General Treasurer, TGR

Ali Bouabid, Foundation Abderrahim Bouabid

Bouaouda, Personnel Spending Regulations and Accounting Division Chief, TGR

Bouazzaoui, Resources and Systems Director, TGR

Boutaqbout, Control, Audit and Inspection Director, TGR

Cheikh, Public Finance Statistics for the State and Subnational Governments Division Chief, TGR

El Alaoui, Personnel Expenditures Director, TGR

Zineb El Alaoui, Head of the Financing Department for State-Owned Enterprises, DEPP

Karim El Aynaoui, Director OCP Policy Center

Taoufik El Hami, counselor, Director-General of Legislation and Juridical Studies, Secretariat General of the Government

El Rhazouani, Adviser to the Committee, House of Representatives

Guiri, Studies, Research and International Cooperation Director, TGR

Kasimi, International Cooperation Division Chief, TGR

Jawouad Kerdouni, President, Moroccan Institute of International Relations

Driss Ksikes, Director of Economica, HEM Research Center of the HEM Foundation

Missoum, Public Finance Director, TGR

Obaio, Subnational Government Finances Division Chief, TGR

Outioua Said, manager DPC/SF, DEPP

Abdelaziz Samih, Adjunct Director, DEPP

Seghrouchni, IT Development Division Chief, TGR

Appendix C. Complementary European Union– and African Development Bank–Supported Reforms

Objective One: Strengthening Transparency and Accountability in the Management of Public Resources

Subobjective A: Adopting performance-informed budgeting

World Bank DPL1 (2014)		World Bank DPL2 (2016)		
EU N+1	EU N+2	EU N+3	EU N+4	EU N+5

AfDB

EU: Strengthening the budgetary reform’s institutional and operational framework

World Bank: Reform implementation institutional framework is strengthened

World Bank: Public action performance is strengthened

World Bank: Fairness and transparency in budget management are strengthened

AfDB: Strengthening the implementation of the reform’s institutional

Subobjective B: Improving competition and transparency in public procurement and public-private partnerships

EU, N+4: Implementing the *Loi de Finances*, according to the main budgetary presentations’ aggregates and as mandated by the law and ministries; institutions’ products made public on a quarterly schedule by the MEF

AfDB: Strengthening public action performance

AfDB: Strengthening fairness and transparency in budget management

Subobjective C: Enhancing financial control and governance of SOEs and public agencies

EU: Promoting public spending performance

Subobjective D: Modernizing local governance and financial management

EU: Extending the integrated expenditure management system

Objective Two: Fostering Open Governance

Subobjective A: Enhancing fiscal transparency and access to information

EU: Deepening budgetary transparency

World Bank: Transparency in the management of public services and citizen participation is strengthened

World Bank: Governance and access to quality public services are improved

AfDB: Strengthening
transparency in the
management of public
services and citizen
participation

Subobjective B: Improving citizen voice and engagement

EU: Improving public services quality

AfDB: Improving
governance and access to
quality public services

Subobjective C: Providing online access to basic administrative services

Objective Three: Increasing Equity, Accountability, and Transparency of the Fiscal System through Support to Fiscal Administrative and Policy Reform (Not Part of the World Bank Development Policy Financing Program)

EU: Increasing accountability and transparency of the fiscal system

EU: Improving fiscal equity

EU: Consolidating the reform on value-added tax

EU: Improving the relationship between taxpayer(s) and fiscal administration

Source:

Note: AfDB = African Development Bank; DPL = development policy loan; EU = European Union; MEF = Ministry of Economy and Finance.

Appendix D. Results Indicators

Table D.1. Results Indicators for Objective 1: Strengthening Transparency and Accountability

Subobjective	Indicator: Hakama 1 Policy Matrix	Indicator: Hakama 2 Policy Matrix and Changes	Reason for Change
Adopting performance-informed budgeting	1. PEFA23 indicators related to budget transparency (no. 6), policy-based budgeting (no. 12), and external scrutiny (nos. 26 and 27).	1. PEFA assessment and indicators related to performance information (no. 8).	Replaced because PEFA methodology change made indicators less comparable. Hakama 1 indicators picked up in NGF technical assistance project.
	2. Introduction of performance M&E in the budget process measured by the number of parliamentary questions on performance.	2. Department performance plans publicly available on the Ministry of Economy and Finance website.	Hakama 2 revised to a more advanced indicator on agency performance.
	3. Budget execution rate of these five ministries.	Dropped.	Hakama 1 indicator picked up in NGF technical assistance project.
Improving competition and transparency in public procurement and public-private partnerships	4. Number of procuring entities subject to the new procurement rules.	3. Number of procuring entities subject to the new procurement rules.	No change.
	5. Savings through the use of electronic procurement and reverse auctions.	4. Percentage of savings on the procurement of standard supplies through the introduction of e-procurement and reverse auctions.	No change.
	6. A unified legal and regulatory framework for public-private partnerships (PPPs) fostering transparency and competition is operational.	5. New national PPPs follow the principles of PPP Law 86.12.	Revised to update Hakama 1 indicator.
Enhancing financial control and governance of SOEs and public agencies	7. Percentage of the SOEs and agencies that have implemented critical elements of this code and (i) established a governance committee, (ii) adopted a risk framework, and (iii) published on their website up-to-date financial statements and the members and activity of their governance structure.	6. Number of SOEs and agencies that have implemented the following critical elements of the corporate governance code: (i) established a governance committee, (ii) adopted a risk framework, and (iii) published on their website up-to-date financial statements and the members and activity of their governance structure.	No change.
	8. Number of SOEs and agencies subject to ex ante financial controls.	Dropped.	Change for Hakama 2 to focus on increasing the number of SOEs and agencies implementing critical elements of the newly adopted

	9. Budget execution rate of SOEs and agencies.	Dropped.	corporate governance code, which is more relevant to the prior action. Same as no. 8.
Modernizing local governance and financial management	10. Percentage of municipalities with real-time information on budget execution via integrated financial management.	7. Percentage of local governments with real-time information on budget execution via integrated financial management and production of consolidated administrative account annually. 8. Percentage of directly elected regional councils and their presidents in charge of their own budgets.	No change. Added at Hakama 2 to measure Hakama 2 prior action.

Source: World Bank 2018.

Note: M&E = monitoring and evaluation; NGF = New Governance Framework Implementation Support Project; PEFA = Public Expenditure and Financial Accountability; SOE = state-owned enterprise.

Table D.2. Results Indicators for Objective 2: Fostering Open Governance

Subobjective	Indicator: Hakama 1 Policy Matrix	Indicator: Hakama 2 Policy Matrix and Changes	Reason for Change
Enhancing fiscal transparency and access to information	11. Open Budget Index from the International Budget Partnership.	Dropped.	Indicator was not available.
	12. Open Government Partnership's score on access to information.	9. Eligibility in the Open Government Partnership score on access to information. 10. Implementation of the unified information request form and the information exchange mechanisms for information officers.	No change. Added to better measure operational access to information.
Improving citizen voice and engagement	13. Number of draft laws and regulations made public.	11. Number of draft laws and regulations made public.	No change.
	14. Gallup World Poll Survey indicator measuring citizen engagement in government affairs: "Have you voiced an opinion to an official in the past months?"	12. World Justice Project's Rule of Law Index subindicator 5.3, measuring access of citizens to the right of petitions and participation. 13. Percentage of public petitions that have received a response.	Changed to have a more direct measure of petitions reform. Added to better measure impact of petitions law.
Providing online access to basic administrative services	15. Statistics on the demand and supply of birth certificates online.	14. Statistics on the number of birth certificates ordered online and delivered by registered mail (cumulative).	Minor change to make more specific.

Source: World Bank 2018.

Reference

World Bank. 2018. *Morocco—Governing Towards Efficiency, Equity, Education and Endurance*. Systematic Country Diagnostic. Washington, DC: World Bank.
<http://documents.worldbank.org/curated/en/375771529960237724/pdf/CLEARED-Morocco-SCD-ENGLISH-final-June2018-06212018.pdf>.

IEG Mission: Improving World Bank Group development results through excellence in independent evaluation.

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The Independent Evaluation Group (IEG) assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the World Bank's self-evaluation process and to verify that the World Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20–25 percent of the World Bank's lending operations through fieldwork. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which executive directors or World Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government and other in-country stakeholders, interview World Bank staff and other donor agency staff both at headquarters and in local offices as appropriate, and apply other evaluative methods as needed.

Each PPAR is subject to technical peer review, internal IEG panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible World Bank Country Management Unit. The PPAR is also sent to the borrower for review. IEG incorporates both World Bank and borrower comments as appropriate, and the borrower's comments are attached to the document sent to the World Bank's Board of Executive Directors. After an assessment report is sent to the Board, it is disclosed to the public.

About the IEG Rating System for Public Sector Evaluations

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: <http://ieg.worldbankgroup.org>).

Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current World Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, sector strategy papers, and operational policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared with alternatives. The efficiency dimension is not applied to development policy operations, which provide general budget support. *Possible ratings for outcome:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Risk to development outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for risk to development outcome:* high, significant, moderate, negligible to low, and not evaluable.

Bank performance: The extent to which services provided by the World Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan or credit closing toward the achievement of development outcomes). The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.

Borrower performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation and complied with covenants and agreements toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for borrower performance:* highly satisfactory, satisfactory, moderately satisfactory, moderately unsatisfactory, unsatisfactory, and highly unsatisfactory.