



**Agence du Partenariat
pour le Progrès**
M C A – M A R O C



MILLENNIUM
CHALLENGE CORPORATION
UNITED STATES OF AMERICA

**KINGDOM OF MOROCCO
AGENCY OF THE PARTNERSHIP FOR PROGRESS**

**MONITORING AND EVALUATION PLAN – MOROCCO COMPACT
FINANCED BY THE MILLENNIUM CHALLENGE CORPORATION**

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ACRONYMES ET ABRÉVIATIONS

| | |
|-------|--|
| ADER | Agence pour la Dédensification et la Réhabilitation de la Medina de Fez (Agency for the De-densification and Rehabilitation of the Fez Medina) |
| AGR | Actions Génératrices de Revenu (Income Generating Activities) |
| AMC | Association de microcrédit (Micro-credit associations) |
| ANPME | Agence Nationale de la Promotion de la Petite et Moyenne Entreprise (National Agency for the Promotion of Small and Medium Enterprises) |
| APP | Agence du Partenariat pour le Progrès (Agency of the Partnership for Progress) |
| DME | Department of Monitoring and Evaluation |
| ERR | Economic Rate of Return |
| FLVT | Functional Literacy and Vocational Training |
| INDH | Initiative nationale pour le développement humain (National Initiative for Human Development) |
| ITT | Indicator Tracking Table |
| MAPM | Ministry of Agriculture and Maritime Fisheries |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| OFPPT | L'Office de la Formation Professionnelle et de la Promotion du Travail (Office for Professional Training and Promotion of Employment) |
| ODCO | Office de Développement de la Coopération (Office for Cooperation Development) |
| PDA | Points de Débarquement Aménagés (Fishing Landing Sites) |
| PLY | Place Lalla Ydouna |
| PME | Petite et Moyenne Entreprise (Small and Medium Enterprises) |
| TPE | Très Petite Entreprise (Very small enterprise) |
| MA | Ministère de l'Artisanat (Ministry of Artisan Affairs) |
| VT | Vocational training |
| WUA | Water Users' Association |

1 Introduction

On August 31, 2007, the Government of the Kingdom of Morocco and the Government of the United States of America, represented by the Millennium Challenge Corporation, signed an agreement, the Millennium Challenge Compact, providing Morocco a grant of \$697.5 million. This agreement was based on a foundation of good governance and transparency with particular attention to monitoring and evaluation.

The goal of the Morocco Compact is to reduce poverty through economic growth by increasing productivity and improving employment in sectors with strong growth potential. The Compact will stimulate growth and increase employment in agriculture, handicrafts and small-scale fishing. Its investments will support activities impacting the economy at the national, regional and local levels, promoting improvements in economic growth, investment, employment and income while expanding domestic and export markets.

The MCA-Morocco program primarily targets urban and rural areas with significant opportunities for higher employment benefiting from rich natural resources that do not live up to their economic potential because of traditional production methods that constrain productivity and quality.

According to the Millennium Challenge Compact, the Program execution is managed by the *Agence du Partenariat pour le Progrès* (Agency of Partnership for Progress) ou APP, which has the legal status of a public organization with autonomous financial resources. It is administered by a Strategic Steering Board presided over by the Prime Minister.

The Morocco Compact is made up of five Projects: Fruit Tree Productivity, Small-scale Fisheries, Artisan and Fez Medina (that includes the Functional Literacy and Vocational Training activity), Enterprise Support, and Financial Services. The APP has established agreements termed Implementing Entity Agreements or IEA with various agencies to implement Projects:

- The Ministry of Agriculture and Maritime Fishing is the implementing entity for the Fruit Tree Productivity Project and for the Functional Literacy Activity in the agricultural and fisheries sectors;
- The National Fisheries Office (ONP) is the implementing entity for the Small-scale Fisheries Project;
- The Ministry for Artisan (SECA) is in charge of implementing the Artisan Production and Artisan Promotion Activities of the Artisan and Fez Medina Project, as well as the Functional Literacy and Vocational Training Activity in the artisan sector.
- The Agency for De-densification and Rehabilitation of the Fez Medina (ADER) is the implementing entity of the Fez Medina Activity of the Artisan and Fez Medina Project;
- The OFPPT, ANPME and INDH are the implementing entities of the Enterprise Support Project;

2 Objectives of the M&E Plan

The Monitoring and Evaluation Plan (M&E Plan) provides guidelines on how APP will monitor the implementation performance of the Compact. The M&E Plan also describes how project performance and impacts will be evaluated. Monitoring and evaluation findings are intended to assist in project management and implementation and in some cases can offer guidance for future development projects in Morocco and elsewhere in the world.

The M&E Plan describes how project performance will be measured and how monitoring indicators will be reported, as well as the content and methodology for the evaluations. The M&E Plan is in compliance with the requirements of Annex III of the Compact, which broadly describes the M&E approach required by the Compact and MCC “Policy for Monitoring and Evaluation of Compacts and Threshold Programs”. It is based on a ‘logical framework’ methodology that enables one to examine the benefit stream logic behind each of the Projects and identify related performance indicators.

The M&E Plan is a management tool that describes what information will be collected and how. The purpose of this information is to:

- Assess project results and identify and explain differences between expected and actual achievements. It describes the way in which the APP and implementing entities monitor project performance through selected indicators and the strategy for data collection and data quality assurance. Monitoring activities can help identify problems and suggest how project adjustments can be made.
- Provide data on anticipated and unanticipated impacts and overall project performance through evaluation activities. The M&E Plan describes the evaluations planned for different projects, their objectives, and approaches to be taken. Evaluation results can help improve program implementation and assist in strengthening the execution of similar projects in the future.

The results-based M&E Plan measures changes in outputs, outcomes and impacts affecting project beneficiaries by comparing actual results with target and baseline data. Dashboards will be provided on a regular schedule to APP Departments, implementing entities, and executing entities to assist them in project management.

The M&E Plan clearly establishes the responsibilities of different entities in charge of carrying out data collection activities. It defines data collection methods, the frequency of the data collection, how the data will be transmitted, and the responsible data-collection entity.

The M&E plan describes the cost-benefit analysis undertaken for all projects. Economic rates of returns or ERRs were estimated for every project at the time of the signing of the Morocco Compact to determine whether they were suitable for financing based on MCC’s economic criteria. These ERRs were calculated to measure the net benefits generated by each of the project (additional revenue to business or households less project and other

related costs), or in other words, the amount of additional benefits to be generated under each project compared to a without-project scenario (counterfactual). Net benefits are projected over a horizon of 20 years (generally), corresponding, more or less, to the life of the infrastructure or equipment to be put in place. An economic model in EXCEL spreadsheets is publicly available on the MCC website for each project.¹ The models were estimated with data available at the time and assumptions about the number of direct project beneficiaries, the distribution of benefits, and reactions of the beneficiaries (elasticities) to the economic opportunities provided by the project.

The economic analysis can be revised during the implementation of the Compact if a change in costs or scope of a Project or Activity is likely to modify the expected return. New ERR models are described here as well.

The main assumptions of the ERR models and expected outcomes are monitored to the extent possible throughout program implementation by tracking related indicators.

The M&E Plan is developed in collaboration with technical teams both at APP and MCC as well as implementing entities to ensure that it is responsive to their needs; it is circulated widely to ensure that all interested parties are fully informed on how Compact results are monitored and evaluated. The most current approved M&E Plan is available on the MCC public website.

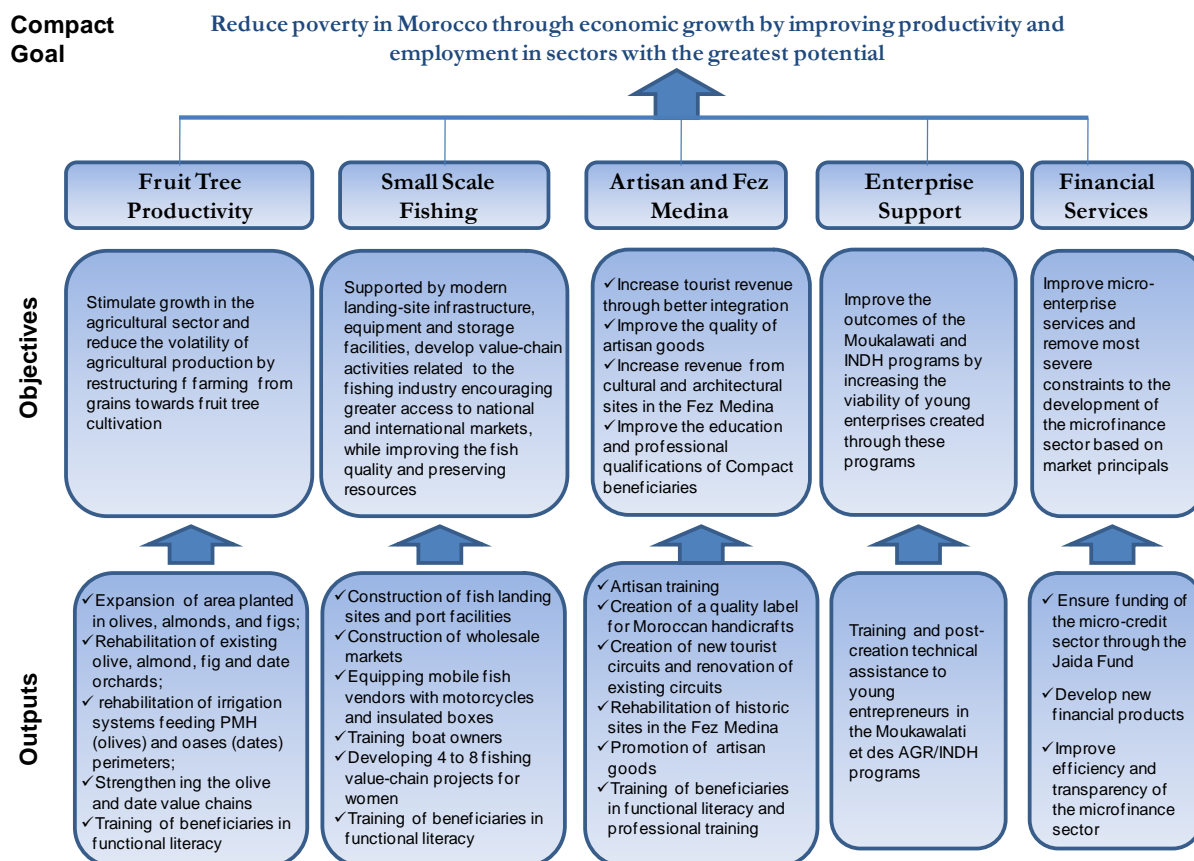
3 OVERVIEW OF THE COMPACT AND ITS OBJECTIVES

3.1 Overall Program Logic

The goal of the Morocco Compact is to reduce poverty through economic growth, and the MCC Compact Program intends to reach this goal by improving productivity and employment in sectors with high potential for growth including agriculture, small fishery, and artisan sectors. The Compact also aims at reinforcing the microfinance sector and government programs promoting small enterprises. Finally, it supports literacy programs and professional training in the sector targeted by the Compact. The overall Compact logic is outlined in the following chart:

¹<http://www.mcc.gov/pages/countries/err/morocco-compact>

Logical Framework for the Morocco Compact



3.2 Program Logic, Projected Benefits, and Beneficiaries by Project

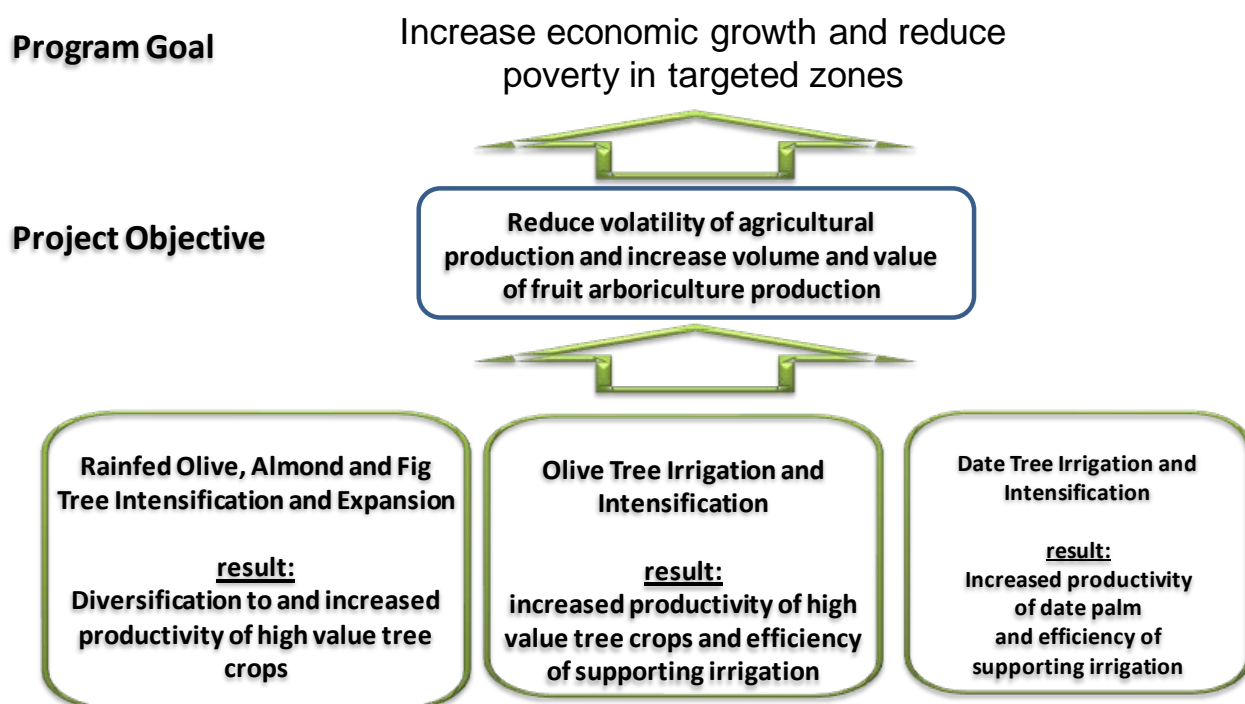
3.2.1 Fruit Tree Productivity Project (\$335.6 million²)

3.2.1.1 Logic and Structure of the Project

The Fruit Tree Productivity investment is designed to stimulate growth in the agricultural sector through transformation from extensive cropping of annuals, notably cereals, to more productive market-oriented cultivation of perennial tree crops (olives, almonds, figs, dates) based on sustainable management of soil and water resources and improved links to national and international markets. The objectives are to: 1) reduce water needs in agriculture by moving from high water-use, low-value cereal grains to low water use, high-value commercial fruit tree species; 2) reduce volatility in agricultural production and farm revenues by expanding the area of commercial tree species that produce more stable yields and can better handle moisture stress; 3) protect the natural resource base by eliminating wheat production from hillsides, replacing it with trees that reduce erosion and conserve the soil; 4) replace wheat, where Morocco is not competitive on the international

² The initial budget for this Project was \$300.9m. The increase comes mainly from a reallocation from the Artisan and Fez Medina Project to fund the Catalyst Fund Activity.

market, with commercial tree crops, where it has a natural competitive advantage; and 5) organize and link small-holders to high-value markets.



The Project, which originally comprised four Activities, has five activities today.

A. *Rain-fed Olive, Almond and Fig Tree Intensification and Expansion Activity.* This activity is focused on the rehabilitation of 55,000 ha of rain-fed fruit trees and the expansion of fruit tree production originally on 120,000 ha and currently on 62,000 ha (see discussion on the re-scoping of the Project below). The primary goal is to increase and stabilize farm incomes in target areas by facilitating the shift to tree crops. This activity includes the following sub-activities: intensifying and rehabilitating existing olive, almond and fig orchards; expanding tree crops by converting hillsides planted with low-value, erosion-prone, annual cereal crops to new high-value, terraced, perennial olive, almond and fig orchards; training and technical assistance for producers, their families and producer associations. Training focuses on improved crop husbandry techniques and capacity development for farmer cooperatives in management, marketing, accounting, organization and access to financial services.

B. *Olive Tree Irrigation and Intensification Activity.* This activity supports the intensification and rehabilitation of existing olive tree production in small- and medium-sized irrigated perimeters called PMH (*Petites et Moyennes Hydrauliques*). The primary goal is to increase the efficiency of water-use and other crop practices to enhance the yield and profitability of olive production in the target areas. The interventions include upgrading and further development of existing irrigation infrastructure and technical assistance to producers, their families and producer associations on improved crop husbandry

techniques. Support is also provided to existing Agricultural Water Users Associations in operations, management and maintenance of irrigation water distribution systems.

C. Date Tree Irrigation and Intensification Activity. This activity supports the upgrading of existing small-scale irrigation infrastructure, in addition to intensification/rehabilitation of existing date tree cultivation in irrigated oasis perimeters. The primary goal is to increase the efficiency of water-use and other crop practices to enhance the yield and the profitability of date production in the target areas. The activity includes the improvement in irrigation infrastructure of small- and medium-sized irrigation schemes. It also supports the rehabilitation of date trees, including training on pruning, cleaning, and fertilizing of 140,000 existing trees and the provision and transplanting of date plants, including 250,000 disease-free in-vitro date plants and 60,000 selected offshoots from existing trees. The activity also includes technical assistance to producers, their families, and producer associations on improved crop husbandry techniques and the creation, training and advisory support of farmer cooperatives in management, marketing, accounting, organization and access to financial services.

D. Fruit Tree Sector Services. A variety of critical value chain support services have been designed to ensure the success and integration of the various Project activities, and include training to producers, producers' organizations, water users associations, and small processing firms on a variety of production, managerial, and accounting practices. This activity also includes applied research, support to the development of market information for agribusinesses, and pilot project to promote a greater integration of women in the value chain.

E. Catalyst Fund³. The primary objective of the Fund is to energize early investment in the targeted value-chains that will advance benefits to Fruit Tree Productivity Project (FTPP) farmers and secure sustainable market linkages. The grant funding also helps to partially compensate businesses for the perceived risk of building commercial relationships with Project farmers. The FFTP focuses heavily on supply-side development of olive oil, table olive and date value-chains. The Fund aims at complementing these efforts by partnering with private industry to develop commercial linkages with producers and promote processing into higher-value finished products (higher quality olive oil).

The Catalyst Fund provides a 50% subsidy to new olive crushing units constructed and equipped by second order organizations (a cooperative of cooperatives). The design of this activity is based on another 30% subsidy from the Agricultural Development Fund, a 15% bank loan from the *Credit Agricole du Maroc* (CAM) and 5% contribution from beneficiaries.

³ The Catalyst Fund Activity was added in 2011 with funds made available from the Fez Medina Project. One of the sites targeted by the Fez Medina Activity was removed in 2010, prompting a re-scoping. As a result, \$21.7 million were released from the Fez Medina Project and reallocated to the Fruit Tree Productivity Project to catalyze additional private sector investments for downstream activities.

3.2.1.2 Economic analysis

The economic rationale of the Fruit Tree Productivity Project assumes increased farm incomes resulting from increased yields of existing trees, increased tree density, and a shift in cropping patterns from lower-value wheat to higher-value tree crops. The original economic analysis of the Fruit Tree Productivity Project was completed in 2007 during the Compact Development process and comprised five ERR models (economic rate of return). Their overall characteristics are presented in the Table below.

Table 1: Initial ERR analysis for fruit tree productivity project

| ERR Models | Activity | ERR | Time Horizon | Benefit Streams |
|----------------------------------|----------|--------|--------------|--|
| Rain-fed Expansion | A | 19.3 % | 25 years | <ul style="list-style-type: none"> Higher profitability per hectare of cultivated land More profitable cropping mix: cereals/legumes and olive trees More hectares under cultivation through intercropping |
| Rehabilitation (Intensification) | A | 26.7 % | 30 years | <ul style="list-style-type: none"> Higher yield per hectare of cultivated land |
| Olive Tree Irrigation | B | 17.3 % | 25 years | <ul style="list-style-type: none"> Increased water supply, especially during droughts, leading to increased farm productivity Technical training and assistance to enhance water management and cultivation skills leading to increased productivity |
| Date Tree Irrigation | C | 18.7 % | 25 years | <ul style="list-style-type: none"> Higher farmer net revenue per hectare from higher yields per hectare of cultivated land |

The Project was re-scoped in 2010 when it became clear that the costs of works contracts were much higher than planned budget, particularly for the expansion of olive tree plantings in rain fed areas. It was decided to prioritize and maintain the project objectives in terms of irrigation works and partially reduce the objectives of fruit tree expansion and rain fed areas. The area to be planted was thus reduced from 120,000 Hectares to 80,000 Ha, of which 62,000 Ha would be funded by MCC and 18,000 Ha would be funded by the Moroccan Government, albeit with feasibility studies and supervision done through Compact-funded contracts. The number of hectares to be rehabilitated in PMH and oasis areas remained unchanged.

The economic analysis was revisited as part of the re-scoping process and new ERRs were calculated. In spite of the cost increase for the expansion and irrigation works, the ERRs remained above the hurdle rate.

Because the structure and aggregation of the re-scoped models are different from the original ones, a strict comparison of the ERR results after the re-scoping is not entirely appropriate. The main drivers of the models are the same, but the way the models are populated and the value of the parameters have changed sufficiently that the difference in the ERR values cannot be solely attributed to the change in the investment costs. To isolate the impact of the cost increase on the rate of return of the various activities, the ERRs were calculated in the revised models but using the original cost per hectare (the total cost of the project remained unchanged through the re-scoping). The summary table below shows the original and revised ERRs, as well as the value of the ERR in the updated model using the original costs. The difference between column 6 and 7 can be broadly attributed to the change in costs that prompted the re-scoping.

Table 2: ERR analysis for fruit tree productivity project after rescoping

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-----------------------------|----------------------------|-----------------------|---------------------|--------------------------|----------------------------------|-----------------------------------|
| | Original ERRs ⁴ | Original Avg. Cost/Ha | Actual Avg. Cost/Ha | % Change In Avg. Cost/Ha | Re-scoped ERR With Updated Costs | Re-scoped ERR With Original Costs |
| Rain-fed Expansion | 19.3% | \$1,143 | \$1,770 | 54.9% | 10.4% | 13.1% |
| Date Tree Irrigation | 18.7% | \$1,348 | \$1,462 | 8.5% | 21.6% | 22.4% |
| Olive Tree Irrigation | 17.3% | \$1,645 | \$1,668 | 1.4% | 17.5% | 17.6% |
| Rehabilitation ⁵ | 26.7% | -- | -- | -- | -- | -- |

Economic analysis is currently being reviewed to estimate close out ERRs. Two consultants are being hired by APP to assist the MCC economist in this work. One consultant will be reviewing the expansion ERR and the second will review the other activities' ERR: date tree intensification, olive tree intensification, and the rehabilitation of olive tree rehabilitation.

⁴ The original ERRs calculated in 2006 used a 25 year horizon except for the rehabilitation, which used a 30-year horizon. All re-scoped ERRs use a 20-year horizon as recommended by MCC current guidelines.

⁵ The rehabilitation component was not affected by the re-scoping as actual costs remained in line with estimated budget and the ERR was not recalculated.

3.2.1.3 Beneficiary analysis

The Fruit Tree Productivity Project affects three agro-ecological zones: rain-fed areas located on slopes; irrigated piedmont areas; and oasis areas. The number of farm beneficiaries by zone is estimated as follows:

Table 3: Number of beneficiaries of the fruit tree productivity project

| Zone and Type of Intervention | Area in Ha | | Number Beneficiary households |
|---|------------|----------------|-------------------------------|
| | Expansion | Rehabilitation | |
| Zone of Rain-Fed production | 62,000 | 55,000 | 66,200 |
| <i>Rehabilitation interventions</i> | - | 28,000 | 11,400 |
| <i>Expansion and Rehabilitation interventions</i> | 39,000 | 27,000 | 38,700 |
| <i>Expansion interventions only</i> | 23,000 | - | 16,100 |
| Zones of irrigated olive production (PMH) | 34,000 | | 27,600 |
| Zones of irrigated date production (oasis) | 19,400 | | 16,500 |
| TOTAL | 170,400 | | 110,300 |

The total number of farm beneficiaries is thus estimated at 110,300. Using the average household size in Morocco of 5.04⁶, the Project is estimated to benefit a total of 555,912 people.

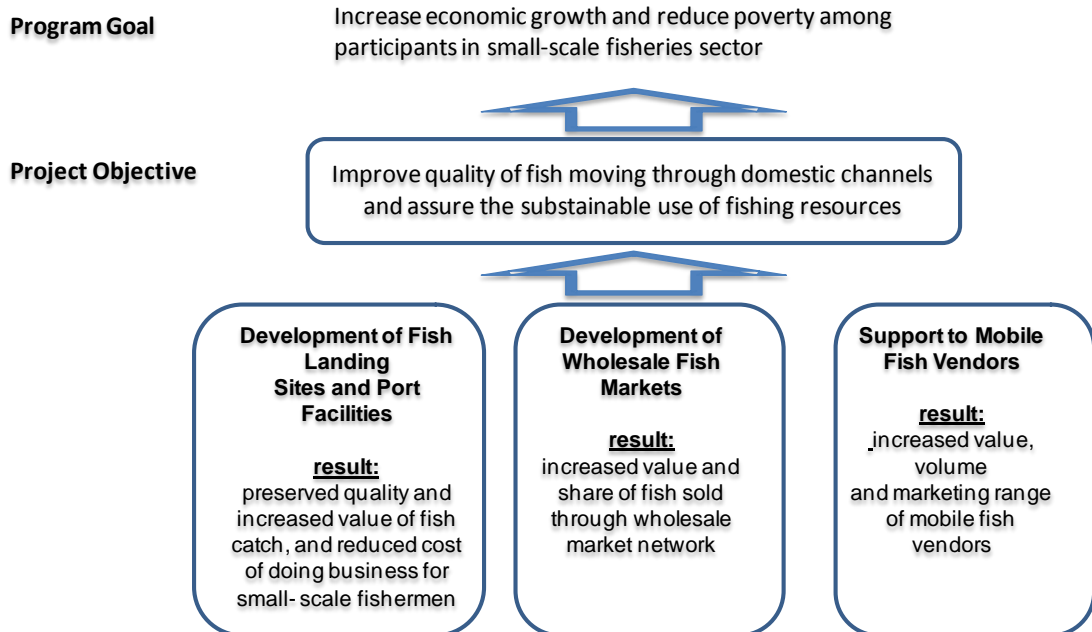
3.2.2 Small Scale fisheries project (\$125.2 million⁷)

3.2.2.1 Logic and Structure of the Project

The objective of the Small Scale Fisheries Project is to improve the quality of fish moving through domestic channels and assure the sustainable use of fishing resources. The investment seeks to modernize the conditions for landing, storing, and marketing fish, thereby improving the quality of the catch, maintaining the value chain, and increasing fishers' access to both local and export markets. The program logic is as follows.

⁶ Recensement général de la population et de l'habitat, 2004 : Caractéristiques démographiques et socio-économiques de la population, Haut Commissariat au Plan.

⁷ The initial budget for this Project was \$116.2m.



The Project has three activities.

- A. **Development of Fish Landing Sites and Port Facilities Activity** : While Morocco possesses a number of modern fishing ports with adequate infrastructure, these are mostly dedicated to the more modern, larger-scale high seas and coastal fleets. The smaller-scale fleet, dispersed along existing fishing grounds, has been marginalized and lacks adequate landing site infrastructure to commercialize its products at their full value. This activity is responsible for constructing fish landing sites (called PDAs) along both the Mediterranean and Atlantic coasts, and to construct or upgrade port facilities in major existing ports for the benefit of small-scale fishers. The interventions include (i) the construction of up to 20 landing sites equipped with essential services to fishermen and an auction hall where catches can be sold immediately at market prices; (ii) the improvement of up to 13 port facilities with appropriate infrastructure as well as an auction hall; (iii) technical and training assistance for fishers based at PDAs on the conservation of marine resources and management of Marine Protected Areas, improved techniques of hygiene and safety at sea, and business development skills. This component also includes a small grant program to implement on a pilot basis, interventions to promote women’s activities in the value chain.
- B. **Development of Wholesale Fish Markets Activity** : Existing wholesale fish markets in Morocco are outdated and poorly managed. They are neither customer nor tenant friendly and provide sub-standard sanitary conditions. Ownership of the markets lies with City Councils and their management is regulated by a 1962 law designating ex-freedom fighters as *mandataires*, offering these individuals and their descendants a *de facto* monopoly over the market. Due to the relatively large long-term investment (30 years), the markets do not attract private investors. This activity is concerned with the building or re-building of modern wholesale markets in selected cities along with the

technical and training assistance required to ensure proper management. The interventions include (i) the construction of up to six wholesale fish markets in major cities, mainly located in the interior of the country (Marrakech, Meknes, Taza, Tetouan, Beni-Mellal, and Rabat); (ii) technical and training assistance to the *Office National des Pêches* or ONP (national bureau for fisheries) staff, market managers and personnel of the wholesale markets, and private sector users in topics such as management, hygiene, and sanitation.

C. Support to Mobile Fish Vendors Activity : According to ONP, there are 5,000 mobile fish vendors serving principally poor urban populations. Some have small motorcycles or three-wheeled bikes, while others operate with donkey-drawn or hand-pulled carts. Typically, the fish are stored in non-insulated boxes or cupboards, often without ice, hence fish quality and value decline rapidly. To improve the productivity of the fish vendor sector, this activity includes the following interventions: (i) financing 30% of mobile fish vending equipment cost for modern, heavy-duty, 3-wheeled motorbikes equipped with insulated ice chests for up to 2,000 mobile fish vendors.. The remaining investment is provided by a subsidy from the National Initiative for Human Development (INDH : 55% to 60%) and by the fish vendors themselves (10% to 15%); (ii) technical and training assistance to those fish vendors in fish regulations, proper hygiene, product handling, quality preservation, small business management, formation of associations/cooperatives of fish vendors, and access to financial services.

3.2.2.2 Economic Analysis of the artisan fishery project

The objective of the Project is to improve the quality of fish moving through domestic channels and assure the sustainable use of fishing resources. At the time of Compact-signing, the ERRs for the different activities of this project were as follows, demonstrating that all four activities were economically profitable.

Table 4: ERR analysis of artisan fishery project

| Small Scale Fisheries : | |
|---|------------------|
| Construction of PDAs | 28.6% (20years) |
| Provision of infrastructure for small-scale fishing | 83.5% (20 years) |
| Construction of wholesale markets | 43% (20 years) |
| Support for mobile fish vendors | 32.2% (10 years) |

As implementation progressed and feasibility studies were released, a number of sites had to be dropped for technical reasons, bringing the number of PDAs to 11 (from 20) and the number of ports also to 11, from the 13 originally targeted. Works cost have come higher than budget also, particularly for the wholesale markets. The ERRs shall be updated before the end of the Compact.

3.2.2.3 Beneficiary Analysis

The beneficiaries of the Small-scale Fisheries Project are located along the coastal artisanal fishing network. Direct beneficiaries fall into two main categories: small scale fishermen (professional fishermen working on small boats) and mobile fish-vendors. The total number of beneficiaries has been projected to be 21,000 individual fishers and fish vendors. Taking into account the average size of a household, at 5.04 persons, the total number of beneficiaries comes to nearly 106 000 persons. These figures need to be re-estimated, however, along with the ERR, prior to Compact-closure when the final figures on the number of infrastructure users become available.

– Small scale fishermen at PDAs and ports

The project targets all small scale fishermen operating in 11 PDAs proposed for development, a population of 4 300⁸ fishermen. Furthermore, at 11 ports, some 9 900 fishermen would benefit from the new infrastructure supporting small scale fishing. Thus the total number of household beneficiaries would be 21,700 at PDAs and 50,000 at ports. These figures need to be recalculated, however, along with the ERR prior to Compact-closure when the final figures on the number of actual users of the PDAs and ports become available.

– Wholesale market users

Beneficiaries of wholesale markets are managers of the facilities, handlers, maintenance and security. The number of beneficiaries is near ly 660, which corresponds to 3 300 households beneficiaries.

– Mobile fish vendors

While 2,000 mobile fish vendors were originally targeted, it now appears more likely that only 1 267 will be able to benefit from the project. In that case, the total number of beneficiaries will be an estimated 6,400.

– Pilot projects for women

Through this activity, 4 pilot projects for help integrate women in the artisan fishery sector will be funded. This number decreased to two pilot projects after eligibility studies. The number of beneficiaries is not known at this stage but is likely to be in the range of 400 women.

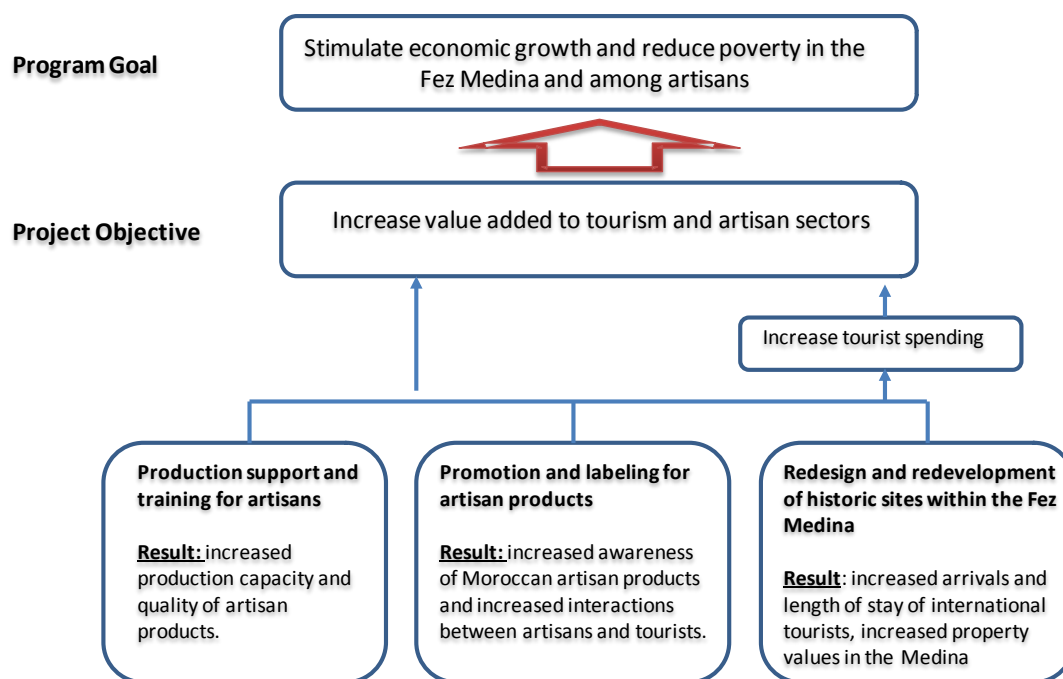
3.2.3 Artisan and Fez Medina Project (\$ 94.3 million⁹)

⁸ This number of beneficiaries is calculated on the basis of the number of boats in the 11 PDA that remain in the project and an average number of 4 fishermen per boat.

⁹ The original budget for this Project was \$105.7m, but was reduced following a de-scoping of the Fez Medina activity with the removal of the Makina site in 2010.

3.2.3.1 Logic and Structure of the Project

The Artisan and Fez Medina Project seeks to stimulate economic growth by improving linkages between handicrafts, tourism and the rich cultural, historic and architectural patrimony of the Fez Medina. To encourage tourism, the project supports the restoration of historic sites in the Medina of Fez and an international architectural design competition for Place Lalla Yeddouna, an important site in the Medina. The Project also fosters better quality artisanal products by supporting improved production and management techniques, as well as providing a subsidy for the purchase of less polluting gas kilns for potters. Finally, artisans in Fez and Marrakech in particular will benefit from promotion activities both in the domestic and international markets. One of the Activity of the Project, the Functional Literacy and Vocational Training Activity, has a distinct program logic and is discussed in a separate section below.



The Project has four Activities including the Functional Literacy and Vocational Training Activity, which is discussed separately below.

A. *Artisan Production Activity.* This Activity provides assistance to potters in Fez and Marrakech to meet growing demand for high quality Moroccan pottery by investing in modern techniques and equipment, including cleaner burning kilns to replace traditional, high polluting, wood burning kiln. The interventions include: (i) a technology transfer package that includes demonstrations of modern kilns and training in modern production

techniques, design, marketing and business management; (ii) a subsidy of 30% for the purchase of large kilns (4 m³ or more) and 40% for small kilns (3 m³ or less); (iii) technical assistance for potters to facilitate access to financial services from local banks and microcredit associations.

B. *Artisan Promotion Activity.* This Activity includes the following interventions: (i) marketing campaigns to highlight artisans and their crafts within the Medinas of Fez and Marrakech, both at national and international levels; (ii) the creation and updating of tourist circuits in Fez and Marrakech; and (iii) the creation and promotion of a label to clearly distinguish genuine Moroccan crafts from foreign imitations.

C. *Fez Medina.* The Fez Medina Project Activity includes the rehabilitation or construction of some key historical and touristic sites in the Medina of Fez. It includes the following interventions: (i) the design and reconstruction of Place Lalla Ydouna (PLY) and three 14th- and 15th-century fondouks (large, multi-story structures surrounding a central courtyard); (ii) an international design competition for the PLY reconstruction and re-design to better serve local residents and attract visitors to Fez; and (iii) the development of a production zone at Ain Nokbi for the resettlement of copperware workers affected by the rehabilitation of PLY

This Activity originally included another large and multifunctional site, called the Makina. In January 2010, the Government of Morocco requested that this site be removed from the Compact, prompting a de-scoping of the Project.

Due to delays in launching work at PLY site, MCC is no longer funding the construction of this site. It will be constructed through Government funding.

3.2.3.2 Economic Analysis of the Artisan and Fez Medina Project

The initial Artisan and Fez Medina Project ERR was an estimated 21.2 percent. The Fez Medina Activity was re-scoped in 2010, however, which removed the Makina Activity from the Project. The economic analysis confirmed that the Fez Medina Project was still economically viable with a Project ERR estimated to be 11 percent.

While tourism growth increased over the past two years as the global economy recovered, it is considerably below the nine percent annual rate originally assumed in the model. The sensitivity of these results to external economic conditions, as well as the current pessimistic outlook for economic growth in Europe, suggests that worldwide economic volatility will play a continuing role in determining the impact of these investments.

In late 2011, the ERR for the Fez Medina again needed to be revised to take into account the effect of changes in project completion dates and proposed budgets. At that time, it was discovered that the space available for artisans and other commercial activities, a key model assumption, was more than twice as great as originally planned, substantially

increasing the PLY benefits. The new data about space availability were drawn from the feasibility study presented by the winner of the international PLY design competition. This increased the ERR for the Fez Medina and Artisan Promotions activities to 14.8 percent. (However, the new ERR estimate was not formally reviewed by MCC, as no-re-scoping was necessary.) A final ERR will be calculated prior to Compact close-out, with a close eye to agreements with the Government of Morocco concerning Project completion.

The ERR for Artisan Production still needs to be revised as the original assumptions are no longer relevant to the actual artisan receiving assistance.

3.2.3.3 Beneficiary Analysis of the Artisan and Fez Medina Project

i. Artisan production

This activity is expected to assist the potters of Fez and Marrakech to meet growing demand for high quality Moroccan pottery by investing in modern techniques and equipment, including cleaner burning kilns to replace traditional, high polluting kilns. Specifically, The project trained 2,332¹⁰ workers and master artisans in pottery. In addition, it provides a 30% to 40% subsidy of the cost of cleaner kilns for as many as 144 master artisans. On a household basis, this comes to nearly 12,000 beneficiaries.

These subsidies were targeting initially 500 potters. However, the feasibility studies that defined the eligible potters' sites, the cost of the kilns and the budget of this activity reduced the potential number of kilns to be subsidized to 144.

As of late March 2013, 2 kilns are installed and four are ordered from the contractor. [ZK1] There is a serious risk that the target won't be reached as potters are raising the issue that their personal contribution (20%) is beyond their financial capacity.

ii. Fez Medina and the promotion of handicrafts

Estimates suggest that some 16,233 [ZK2] low-income workers may be immediate beneficiaries in the Fez Medina, or 81,500 beneficiaries on a household basis. These beneficiaries are made of:

- 6 350 men and 1120 women who will be using PLY facilities after its completion
- 1 900 artisans and 100 women beneficiaries of new workshops at Ain Nokbi. These beneficiaries were previously working at PLY in the polluting brassware activities and were resettled at Ain Nokbi;
- 1 150 artisan men and 135 women benefitting from workshops in the Ain Nokbi Foundouk;

¹⁰ The consultant of contract AFM1 has identified 2267 handicraft workers for training.

- 4 200 artisans men and 220 artisan women benefitting from the rehabilitated three foundouks of Chemayine, Sbetryine and Staounyine ;
- 1 058 women artisans who are benefitting from Berka Foundouk. This foundouk is dedicated solely to artisan women.

The promotion activity is made of three sub-activities : promotion of handicraft, the rehabilitation of touristic circuits and national label for artisan products. Nearly 6600 workshops for selling goods and services are located on the touristic circuits rehabilitated or created in Fez and Marrakech, of which 70 are women working mostly in traditional weaving. The touristic circuits is expected to boost up sales of these workshops.

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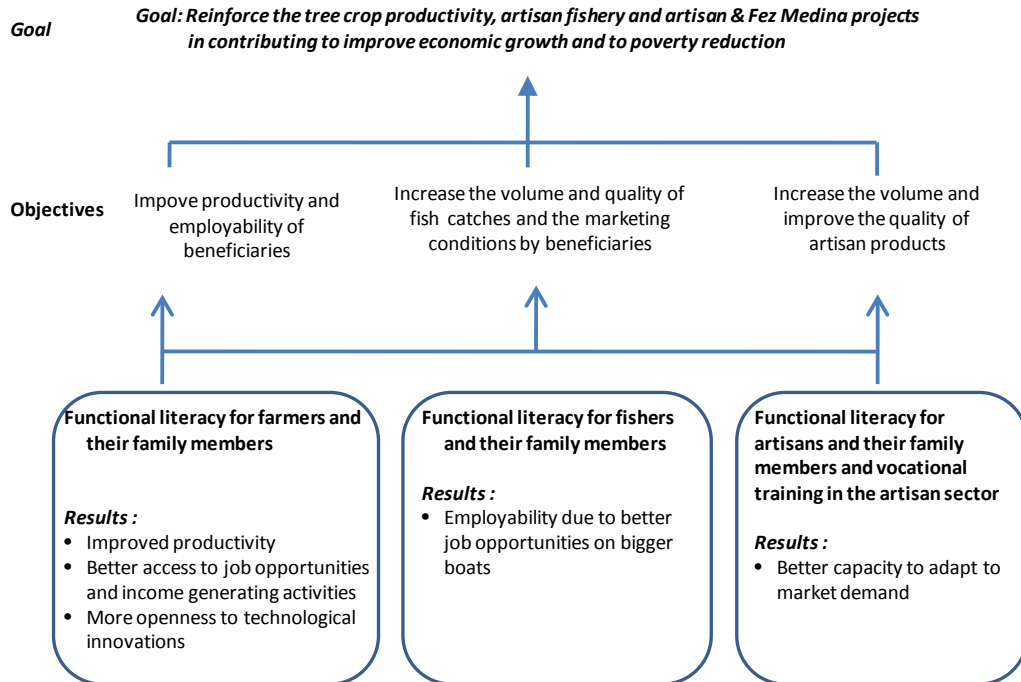
Through the sub-activity of promoting artisans and SMEs of handicraft, 256 beneficiaries made of 155 mono-artisans, 91 SMEs and 10 cooperatives of handicraft will be participating to national and international shows and festivals as well as to marketing missions.

3.2.4 Functional Literacy and Vocational Training Activity (Artisan and Fez Medina Project)¹¹

3.2.4.1 Logic and Structure of the Activity

Over two-thirds of Moroccans, especially women and girls, lack the literacy skills or adequate formal education necessary to enroll in vocational-technical training institutes. For those who are able to enroll, the poor quality of instruction offers few prospects for well-paid employment, despite an expanding job market and high demand for trained technicians. The ultimate goal of this Activity is to improve the revenues of artisans, fishers, and farmers, many of them targeted by other interventions of the Compact, through the reinforcement of their basic skills and professional qualifications. The logic of these interventions is summarized below.

¹¹ The budget for this Activity is \$32.8m.



The Activity has three sub-Activities.

- Functional Literacy.** This sub-Activity seeks to provide functional literacy to adults in the artisan, agriculture, and small scale fishery sectors and to introduce additional practical and employable skills into the literacy curriculum.
- Vocational Training.** This sub-Activity is implemented in cooperation with the Ministry of Artisan Affairs (MA) and targets artisans in the traditional handicraft sector. It is putting in place a standardized training system following a Competency Based Approach. Through in-service training, practicing artisans are offered continuing education training to bolster their artistic expertise and entrepreneurial skills, while youths are offered training-in-residence and apprenticeship programs to develop their manual skills and their entrepreneurial know-how.
- Competitive Skills Development Program.** This sub-Activity is complementary to the two others and offers grants to private sector or the civil society entities that propose innovative initiatives supporting the existing functional literacy or vocational training system by making them more attractive and accessible to socially or geographically marginalized groups within the beneficiary populations.

3.2.4.2 Economic Analysis of the Literacy and Vocational Training Activity

An economic analysis was prepared during the re-scoping of the Artisan and Fez Medina project in 2009, which effectively produced a fully developed Activity from a skeleton outlined in the Compact. The ERR analysis was never approved by MCC, however, and the Activity proceeded without it. By Close-out, MCC will review and re-estimate the economic analysis, for each of the sub-activities, as quantitatively feasible.

3.2.4.3 Beneficiary Analysis of the Literacy and Vocational Training Activity

Beneficiaries of Functional Literacy: 69,731. By sector, this number is broken down to :

- 30,022 artisans will receive literacy training leading to up to 151,300 beneficiaries on a household basis if literacy proficiency is achieved by all trainees and incomes are raised.
- 19,187 beneficiaries in the small-scale fishing sector leading to up to 96,700 beneficiaries on a household basis if literacy proficiency is achieved by all trainees and future incomes are raised. Through functional literacy training, small-scale fishers will become eligible for employment on coastal fishing boats and will be able to acquire additional vocational qualifications and skills. These new opportunities are hypothesized to translate into increased fish catches and increased incomes.
- 20,522 beneficiaries in the agricultural sector, including 13,568 rural women. This training could assist nearly 103,430 Beneficiaries on a household basis if literacy proficiency is achieved by all trainees and incomes are raised. This may be overestimate beneficiaries, however if multiple family members receive training. Offering families training, in addition to the farmers themselves, is expected to increase the professional qualifications of various age and gender groups active within this sector that will increase their incomes and allow them to take advantage of better job opportunities – including those outside the agricultural sector – to stabilize their income throughout the year.

The number of beneficiaries who completed the literacy training is 6,333 for the first cohort and 19,606 from the second cohort as of late April 2013. The third cohort (32,418) will complete the training in June 2013.

As for graduation, the total number of certified beneficiaries as of late March 2013 is 9,810. By sector, this number is broken down to ;

- Artisanat : 5,789
- Artisan fisherie : 0,989
- Agriculture : 3,032

It is expected that 31,681 additional beneficiaries will be graduating before Compact ends for the three sectors.

i. Beneficiaries of Vocational Training

This sub-Activity will target the following populations within the five priority crafts:

- 2,256 youths through two-year initial training in residence (pre-service) -- the maximum capacity of the 15 training centers in the five fields of training).
- 6,100 youths through initial training by apprenticeship of one to two years (depending on the field of training).

Based on the hypothesis that those benefiting from residential training and apprenticeships are primarily young artisans without families, the beneficiary population is potentially 8,356 if the programs are completed and lead to further employment opportunities.

- 15,000 practicing artisans through continuing education (short-term seminars): 14,874 completed the training, which corresponds to 75,000 beneficiaries on a household basis.

ii. Competitive Skills Development Program:

The third sub-Activity supports the previous two components through innovative initiatives to be proposed by external entities – whether from the private sector, civil society, or even the public sector. These projects are financed by a competitive grants system that aim to support the Functional Literacy and Vocational Training systems by making them more attractive and accessible to socially or geographically marginalized groups within the beneficiary populations.

APP is implementing this activity in close cooperation with several partners: the three relevant government departments, UNESCO, the Department for combating Illiteracy, civil society, etc.

The Ministry of Agriculture and Maritime Fisheries and the Ministry of Artisanat are the Implementing Entities for this Activity, and are responsible for its successful implementation.

A total number of 25 projects were selected to be funded by this sub-activity's grant. These projects will take from 3 to 18 months to be implemented and will benefit to 9,464 beneficiaries. The break down by sector is as follow:

Table 5: Number of beneficiaries of the competitive skills activity

| Sector | Number of projects | Number of beneficiaries forecasted |
|---------------------|---------------------------|---|
| Artisan sector | 12 | 4,266 |
| Agricultural sector | 7 | 3,687 |
| Fishery sector | 6 | 1,511 |
| Total | 25 | 9,464 |

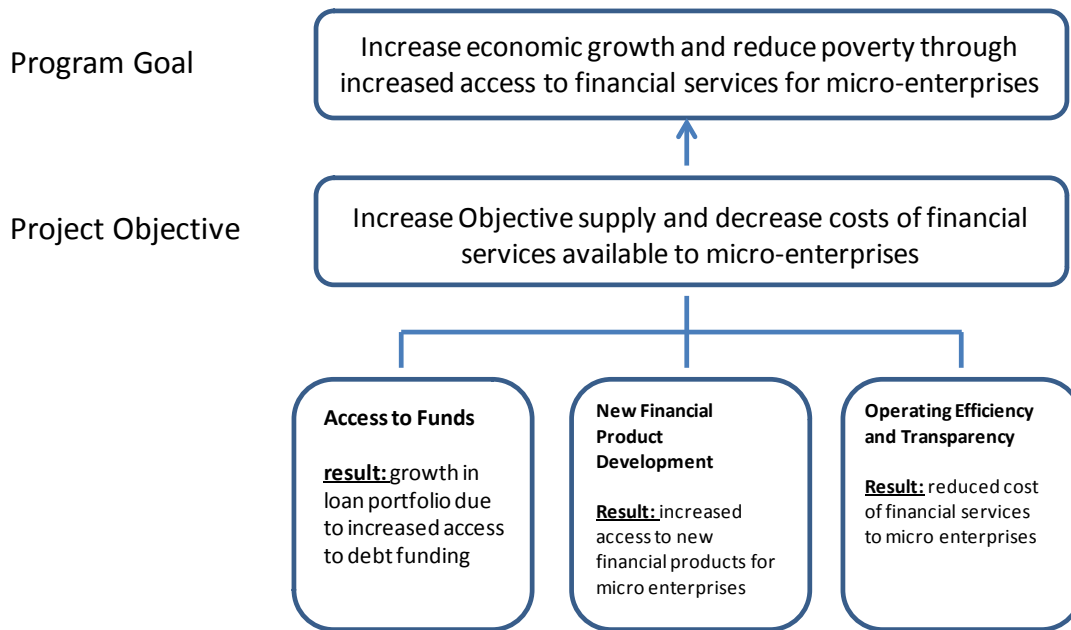
As of early April 2013, the number of beneficiaries enrolled is 9,464. Among these beneficiaries, approximately 2,622 benefit already from the other activities of literacy and vocational training, of which 951 are benefitting from vocational training and 1671 from functional literacy.

As of late March 2013, nearly 4, 550 already benefitted from the 12 completed (10 projects) or expected to be completed projects (2) in april 2013.

3.2.5 Financial Services Project (\$42.63 million)

3.2.5.1 Logic and Structure of the Financial Services Project

The goal of this project is to improve the financial services available to Moroccan micro-enterprises by improving market stability and overcoming constraints inhibiting the expansion of the microfinance sector. The Compact provides funds in the form of a subordinated debt to Jaida, a non-bank financial institution started in April 2007 to lend to the micro-credit sector. In addition, the legal framework underlying micro-credit associations is being reviewed to determine their potential to accept savings and offer additional financial services. Finally, the project provides support to improve the efficiency and transparency of the microfinance sector, reducing the costs and improving the quality of micro-enterprise loans in the long term.



There are three Activities under this Project.

A. Access to Funds for Microfinance. This Activity includes a subordinated debt of \$25 million to Jaïda, a non-bank financial institution started in April 2007 to lend to the micro-credit sector. The subordinated debt is used to allocate funds to microcredit associations according to market conditions and general policies of credit risk and eligibility criteria. This Activity also provides training to 3000 loan officers on environmental and social aspects.

The project is undertaking measures with MCC to allocate an additional 5 millions \$ to Jaïda in order to finance AMC that will provide loans to very small enterprises.

B. New Financial Product Development. This Activity supports an analysis of the regulatory and operational conditions for the institutional transformation of microcredit associations (AMCs) and technical assistance to these microcredit associations to expand their scope (transformation).

C. Improvement of Operating Efficiency and Transparency. This Activity offers financial support to AMCs to acquire mobile branches that provide microcredit in remote areas. This Activity also provides assistance to AMCs through a Technology Facility, helps smaller AMCs implement management information systems which will allow them to link with the Central Bank's credit information bureau, and manages a "Rating Fund" to finance financial and social ratings for AMCs.

3.2.5.2 Economic analysis

The initial ERR for this project was 18 percent. This incorporated an assumption that the Compact would support increased lending, leading to economic growth. However, the decline, since 2008, in the entire micro-credit finance sector made this modeling moot. Micro-credit finance also suffered similar declines in a number of other countries (Bosnia, Nicaragua, Pakistan, and India) at essentially the same time. While these failures took place concurrent with the worldwide recession, they were apparently more closely related to sectoral issues, such as multiple micro-credit agencies extending credit to support the same micro-entrepreneur. The Close-out strategy calls for a recalculation of the ERR model for the Financial Services Project.

3.2.5.3 Beneficiary analysis

The beneficiaries of the Financial Services Project were to be clients (small borrowers such as individuals or micro-enterprises) of microcredit associations operating in Morocco. The intended impact of the Project was to increase the supply of financial services for these clients. When the Compact was designed, the microcredit sector served approximately 1.3 million clients. But, the number of client has decreasing to fewer than 800,000 clients in 2011. To take into consideration this trend, the baseline, as well as the Compact targets, is being reviewed.

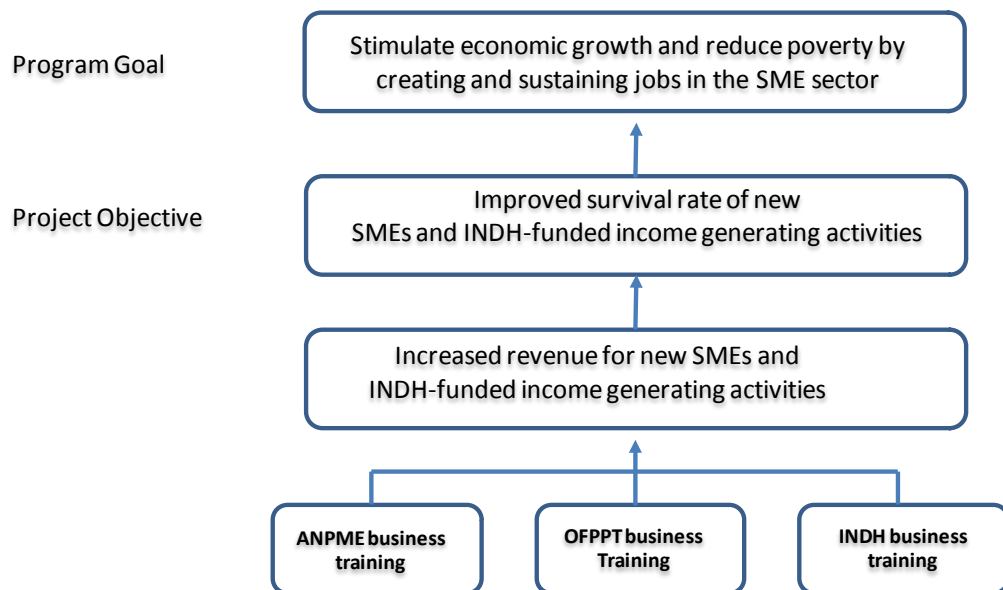
3.2.6 Enterprise Support Project (\$15 million for the pilot phase)

3.2.6.1 Logic and Structure of the Enterprise Support Project

The Enterprise Support project has two priorities: to reduce high unemployment among young graduates and to encourage an entrepreneurial culture. The project focuses on entrepreneurs in two government programs: the first is the Moukawalati program offered by the OFPPT¹² and ANPME¹³, the second is the National Initiative for Human Development (INDH). The program logic of this Project is summarized below.

¹² *Office de la Formation Professionnelle et de la Promotion du Travail* (Office for Professional Training and Promotion of Employment)

¹³ *Agence Nationale de la Promotion de la Petite et Moyenne Entreprise* (National Agency for the Promotion of Small and Medium Enterprises)



The Project has three Activities. Activity A “ANPME Training” and Activity B “OFPPT Training” target the same population of Moukawalati enterprises, while Activity C “INDH Training” targets the AGR entities. The Project is better described in terms of the type of enterprises that the interventions target than broken down by its Activities.

Moukawalati (which translates as “My Small Business”) is a national program intended to increase the competitiveness of Morocco’s businesses in the global economy and reduce youth unemployment, particularly among new graduates. The Moukawalati program operates through 76 offices (*guichets*) nationwide providing information and assisting entrepreneurs at the initial stages of their operation. The assistance offered by these offices follows a prescribed method of evaluating business skills, supporting the development of business plan and loan application. The Moukawalati program may offer some financial support to the entrepreneur during the initial startup phase and provide for a partial guarantee of the bank loan. The Moukawalati assistance is completed once the young entrepreneurs get the approval of their bank loans to start their businesses. Moukawalati enterprises tend to be concentrated in and around urban areas.

The Activities “ANPME Training” and “OFPPT Training” target Moukawalati enterprises by offering additional business-skills training once the entrepreneur has satisfied all registration requirements and the enterprise has begun operations. The project provides training, coaching, technical assistance and networking to young entrepreneurs.

The National Initiative for Human Development (INDH) is a multi-year government initiative aimed at creating opportunities for the poor, the vulnerable, and the socially excluded. INDH expects to strengthen the accountability of municipalities to support disadvantaged groups, while promoting new strategies for rural and urban development.

INDH groups are referred to as AGR, for *Activites Generatives de Revenus*, and tend to be rural and engaged in the agricultural sector.

The Activity “INDH Training” targets AGR by providing them with additional assistance in the form of training and coaching. Typically, participants in this Activity are less-educated than those of the Moukawalati program and will be members of associations.

The Enterprise Support Project was structured in two phases in the Compact, with a two-year pilot period, during which 400 entrepreneurs from the Moukawalati program and 200 AGRs from the INDH program would receive training and technical assistance. This pilot phase was to be subject to a rigorous impact evaluation using a randomized design to test whether the proposed technical support to be provided to the enterprises in the post-creation phase would be effective. This would determine whether or not to expand project activities to a larger number of entrepreneurs.

The impact evaluation of the pilot phase was planned in the Compact as there was insufficient empirical evidence on the success of post-creation business training. In particular, the extent to which training would increase revenues and augment survival rates of new enterprises was uncertain, and, as a consequence, whether the benefits would exceed the costs of the program.

According to this design, 400 entrepreneurs were randomly selected among a population of 1000 beneficiaries from the Moukawalati program provided by the implementing entities, among which, some entrepreneurs were reluctant to participate in the project. Two random sampling operations were necessary to reach a total of 388 enterprises willing to participate in the Project and in the impact evaluation requiring several rounds of interviews.

Another 200 AGRs were selected randomly from a population of 600 AGRs created through the National Initiative of Human Development (INDH) and provided by the corresponding implementing entity which is the National Coordination of the INDH. No refusal was encountered from the AGRs. The impact of the interventions is evaluated separately for enterprises and AGRs.

A baseline and three follow up surveys were implemented in a period of two years, with the last round of follow-up survey done in December 2011. The pilot phase interventions were also completed in December 2011.

The final report of this impact evaluation showed a decrease of 30 % in enterprise mortality between treatment and control groups, while there is no impact on sales.

As for AGRs, profit increased by 78% for treatment group with respect to control group. The percentage of AGR that are still in business is 97% versus 92% for the control group. In addition, Beneficiary AGRs are more likely to evolve to a cooperative status rather than an association. The percentage of AGR that have procured new production equipment is

twice that of the control group. Beneficiary AGRs have more savings, reimbursed more quickly their loans compared to the control group.

3.2.6.2 Economic Analysis of the Enterprise Support Project

The initial economic analysis for the project estimated the ERR at 13.5 percent. The model was not regarded as conclusive evidence of the project's expected economic impact, however, as its key assumptions on revenue growth and firm survival were essentially 'guesstimates'. Further, outside studies proved skeptical with regard to the impact of SME training on revenue growth. Consequently, the Compact specified that the Project be implemented with a pilot phase subject to an impact evaluation based on experimental design. The Compact linked the decision for Project expansion to the results of the evaluation.

In May 2012, the ERR model was improved and expanded by MCC, with initial input from the APP, updating costs and assumptions about baseline revenue from the impact-evaluation surveys. Nonetheless, assumptions about value-added growth and firm survival rates, which formed the crux of the decision-making process, remained 'guesstimates'. Thus, the revised model provided no firmer evidence for the expansion of the Project than the original model.

The updated base-case ERR (including the expansion phase) was 1.21 percent, well below the MCC hurdle-rate. A 'sunk cost' ERR, in which only the expansion phase was considered, reached 7.21 percent. Even this ERR, however, is well below the 15 percent rate specified in the Compact as the condition to proceed with the Project.

3.2.6.3 Beneficiary Analysis of the Enterprise Support Project

During the pilot phase, about 600 enterprises are receiving training and technical assistance. Some 400 very small enterprises started under the Moukawalati program (OFPPT and ANPME) benefited from the project and 200 groups operating in Income Generating Activities (AGR) created by the INDH. On a household basis, there will be somewhat over 3,000 beneficiaries should the training increase enterprise revenue and firm survival rates in the longer run.

4 MONITORING

The M&E Plan includes a monitoring component to measure Program results based on objective, verifiable indicators related to the logical framework for each of the projects. These indicators are associated with the project goals, outcomes, outputs, and process. Each indicator is associated with a baseline, annual target values, and an end of Compact target. Some indicators are reported only once or twice and may not have annual targets, but only an end of Compact target.

Monitoring indicators track performance during the life of the Compact and ensure that objectives and expected economic gains will be achieved through implementation to meet the Program goals.

M&E indicators for each of the projects are developed in concert with the APP Project teams and implementing entities and with input from MCC project experts. The M&E Plan is revised periodically to take into account new development in implementation including project re-scoping, new dataset, and the realignment of indicators and/or targets.

4.1 Indicators

Results of the Compact will be measured over the five years of the program using performance indicators. Annexes I and II present the short-, medium- and long-term indicators for the five Compact projects, including baseline and target values. Annex I presents the indicators, their definition, their nature (cumulative or incremental level), the unit of measure, data source or provider of data, and frequency of measurement for each indicator. Annex II reports the baseline and annual target values for each indicator over the duration of the Compact. The indicators and target values conform where appropriate to the economic analysis for the project.

Common indicators have been introduced to meet the requirements of the MCC Policy for Monitoring and Evaluation of Compacts and Threshold Programs¹⁴. Common indicators are used by MCC to measure progress across Compacts within certain sectors. They allow MCC to aggregate results across countries and report externally to key stakeholders. MCC has currently common indicators for interventions in the sectors of agriculture and irrigation, education, land, roads, and water and sanitation. Of those, only agriculture and irrigation and education are relevant to the Morocco Compact. . Those indicators are included in the logical matrixes for the Fruit Tree Productivity Project and the Functional Literacy and Vocational Training Activity.

i. Baselines and targets

Each indicator is associated with a baseline value and a series of annual and end-of-Compact targets. Baseline values for outcomes and goals are based on statistically valid values established through contracted surveys. Targets are drawn from economic analysis and project work plans.

Few baseline values for some specific activities are based on documented studies undertaken by the implementing entities. When relevant, indicators are desegregated by gender.

¹⁴ See <http://www.mcc.gov/mcc/bm.doc/policy-051209-mande.pdf>

ii. Data Sources

Where appropriate, baseline and target values of indicators are extracted from the ERR models, either from the original or updated analysis where a re-scoping occurred. In the case of indicators not directly included in the economic analysis, baseline values are derived from the analysis of available data or on expert advice. Sources of data may be official statistics, specific surveys, or Project work plans.

iii. Frequency of Data Collection

The frequency of reporting is indicated in Annex I for each indicator. Data collection frequency depends on the indicator to be measured. Goals are often measured only at the beginning (baseline) and end of the Compact. Other indicators, such as those tied to agricultural activities, or those produced by other organisms such as the Ministry of Tourism or the National Federation of Microcredit Associations, may be measured annually or semi-annually. But to the extent possible indicators are reported quarterly albeit with annual targets.

iv. Gender Assessment

Wherever pertinent, data will be collected to allow for disaggregation by gender. “Pertinent” refers to instances in which gender differences in activity participation are foreseen, or when there is a reasonable expectation that such differences might prevail. In particular, all baseline surveys will include information on these variables, offering researchers the opportunity to conduct disaggregated analysis. In terms of reporting indicators, gender does not necessarily require *a priori* targets if it is not part of the project or activity’s logical framework analysis.

With respect to projects where women are the sole participants (e.g. the Pilot Projects), benefits accruing to women through the pilot projects may be assessed in terms of skills and income generated and economic profitability. Constraints to women’s participation based on reporting indicators and to business viability and profitability related to the pilot projects are to be assessed further using quantitative and qualitative methods.

v. Monitoring and Evaluation Reports

Quarterly monitoring reports are submitted to MCC through an Indicator Tracking Table (ITT). This monitoring table records the value of each indicator for the current period and its percentage deviation compared to its target value.

In addition, a narrative report is submitted with the ITT that includes an explanation of the deviation if it is greater than 10 percent. The ITT and the narrative report are parts of the disbursement request package and must be submitted to MCC four times a year.

The monitoring transmission schedule is:

| Collection Frequency | Collection Period | Submission to MCC |
|----------------------|---|----------------------------|
| Quarterly indicators | | |
| Quarter-1 | October 1 st to December 31 st | December 10 th |
| Quarter-2 | January 1 st to March 31 th | March 10 th |
| Quarter-3 | April 1 st to June 30 th | June 10 th |
| Quarter-4 | July 1 st to September 30 th | September 10 th |
| Annual indicators | October 1 st to September 30 th | September 10 th |

4.2 Data Quality Review

To ensure objectivity and viability of data measuring program performance, the Department of Monitoring and Evaluation (DME) has developed a strategy to evaluate the quality of data used in the M&E Plan. This strategy defines the responsibilities of project teams and implementing entities for data collection and information management. As M&E teams in different implementing entities provide essential data, the DME needs to be assured that the data collection procedures are viable and result in reliable indicator.

Risk management to ensure good data quality requires that the responsibilities for the collection of data are clear and transparent and that the M&E indicators are in line with the monitoring systems of the various implementing entities responsible for different contracts. The DME implemented an M&E training program for the staff of the various implementing entities' M&E units to facilitate this objective. Workshops were organized for different M&E teams to discuss M&E reports and provide feedback on reports related to the Compact projects.

An in-depth data quality review (DQR) was conducted by an independent consulting firm. This study analyzed indicators and data collection methods for each project. The assessment was based on criteria of validity, precision, viability and utility to determine data quality and arrive at practical recommendations to improve deficient data collection procedures. The reviewers met with each project team, including M&E officers and contractors in charge of implementing surveys or providing reporting data. The review was implemented in two phases: the first phase took place in compact year 3 and the second was completed in compact year 4. A final workshop was held at the end of each phase to present the results of this review to all stakeholders and to collect their feedback on the findings.

As recommended by the phase I report of the DQR, guidelines for designing procedure manuals were developed for each project to clarify roles and responsibilities for M&E units, DME at APP and other data providers. These manuals also formalize the information flow from the field to the DME.

5 EVALUATION COMPONENT

Evaluations provide a retrospective analysis of the results attained *vis a vis* expected results and assess whether these results are attributable to project interventions. The M&E Plan anticipates two types of evaluations: performance evaluations and impact evaluations. All are or will be done by independent, qualified investigators selected through an open and competitive procurement process. Evaluations currently under way or planned are presented in the table below Project by Project.

5.1 Fruit Tree Productivity Project (\$ 335,6 million)

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|---|---|---|---|---|---|
| <p>A. Rain-fed Olive, Almond, and Fig Tree Intensification and Expansion (\$141.4 m)</p> <p><i>Rehabilitation Sub-Activity</i></p> | <ul style="list-style-type: none"> • What is the impact of the activity on farmers' incomes? • Has olive output improved in quantity and value? • Have new techniques been adopted by farmers? • Has the quality of the olive oil produced improved ? • Have farmers organizations played a role in the development of olive-oil value chain processing and marketing? • Has the information provided by the project been adopted by farmers outside the treatment perimeters? • Are linkages with processing units Improved ? | <p>Impact evaluation with randomized treatment and control perimeters</p> <p>Evaluator: <i>NORC</i></p> | <p>Baseline survey: 2010 Follow-up surveys: 2011 and 2012 End-line survey: planned 2013</p> | <p>Contractor: NORC</p> <ul style="list-style-type: none"> – Baseline report: November 2010 – Follow up survey report 2011: June 2011 – Follow-up reports 2012: August 2012 – Final report : expected 2013 | <p>Although some impact should be felt in the last year of the Compact and be captured by the evaluation, two additional years of data in 2014 and 2015 are planned in the PCP. Sustainability of results through the adoption of improved orchard techniques is a key objective.</p> |

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | |
|--|---|---|--|--|---|
| <p>A. Rain-fed Olive, Almond, and Fig Tree Intensification and Expansion (\$141.4 m)</p> <p><i>Expansion Sub-Activity</i></p> | <ul style="list-style-type: none"> • Are perimeters transferred to farmers well maintained ? are they managed in a sustainable way ? • Is productivity of olive and almond trees expected to increase ? • What is the expected impact of the activity on farmers' incomes? | <p>Pre-post measures of key expected outcomes</p> | <p>Baseline survey: 2010 Benchmarking with similar perimeters Interviews with experts 2013</p> | <p>Baseline report (<i>Agriconsulting</i>): December 2011</p> | <p>Trees take 7 years to reach full production¹⁵; an evaluation of this activity will be carried out in 2013 based on scenarios of evolution of the perimeters using benchmarking and interviewing experts in olive trees. The implementation schedule and delayed impact of the interventions were captured by the ERR model.</p> |
| <p>B. Olive Tree Irrigation and Intensification (\$84.3 m)</p> | <ul style="list-style-type: none"> • What is the impact of the activity on farmers' incomes? • Has olive productivity improved ? • Have new techniques been adopted by farmers? | <p>Pre-post measures of key expected outcomes</p> | <p>Baseline survey: 2010 End-line survey: planned 2013 Post-Compact: 2015</p> | <p>Baseline report(<i>Agriconsulting</i>): December 2011 End-line report expected 2013</p> | <p>The two irrigation activities (B. and C.) have similar implementation approach and timeline and the evaluations will be performed together albeit with distinct sample.</p> |

¹⁵ The first 400 ha of planting were done in 2009; a little over 25,000 ha are expected to be planted at the end of year 4; a total of 60,372 ha are planned by the end of the Compact.

| | | | | | |
|---|---|--|---|---|--|
| | <ul style="list-style-type: none"> • Has the quality of the olive oil produced improved ? • Have farmers organizations played a role in the development of olive-oil value chain processing and marketing? • Are linkages with processing units Improved ? | | | | |
| C. Date Tree Irrigation and Intensification (\$55.3 m) | <ul style="list-style-type: none"> • Farmers' income • Productivity of date trees • Rate of adoption of modern orchard techniques • Improved linkages with processing units | Pre-post measures of key expected outcomes | Baseline survey: 2010 End-line survey: planned 2013 Post-Compact : 2015 | Baseline report (<i>Agriconsulting</i>): December 2011 End-line report expected 2013 | |

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | |
|---|---|-------------------------|----------------------------|--------------------------------------|--|
| D. Fruit Tree Sector Services (\$20.7 m) | Same as above | | | | This activity provides the training and technical assistance in support to all other activities. The evaluations planned for the above activities will incorporate the interventions done under this Activity. |

5.2 Small Scale Fishery Project (\$ 125.2 m)

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|--|---|----------------------|--|---|--|
| A. Development of Fish Landing Sites and Port Facilities (\$75.2 m) | <ul style="list-style-type: none"> - Fishermen's net income - Quality of the catch - Price received by fishermen for their catch - Sustainability of the resource | Pre-post | Baseline data: 2010 Follow-up surveys for PDAs: monthly/quarterly ¹⁶ End-line data: 2013 for 1 PDA and 1 Port | <ul style="list-style-type: none"> -Baseline report PDAs (INRH): September 2011 -Baseline report Ports (AGRER): December 2010 -End-line report expected Sept 2013 for 1 port and 1 PDA | 1 port and 1 PDA are completed (May 2012) and could be meaningfully evaluated within the Compact time frame. The remaining sites will need to be evaluated post-compact. |
| B. Development of Wholesale Fish Markets (\$ | <ul style="list-style-type: none"> - Fish consumption in urban areas - Quality of the fish transiting through the wholesale | Pre-post | Baseline survey: 2010 End-line survey: 2013 for 1 market | <ul style="list-style-type: none"> -Baseline report (Agrer): December 2010 -End-line report for 1 market expected 2013 | The 1 st wholesale (Beni Mellal) is not operational as of March 31 st . This activity will be evaluated post-compact. |

¹⁶ The baseline data was collected by different entities for Ports and PDAs. An agreement between the Project and INRH (the national institute for research on marine resources) allow for extensive monitoring of the quantity, quality, and value of the catches in all the PDAs targeted by the project. An amendment to this agreement is under way to have a similar monitoring in the ports during the last year of the Compact as well as an end-line complete survey for 1 PDA and 1 port a year after completion.

| | | | | | |
|----------------|---|--|--|--|--|
| 42.2 m) | markets - Improved management of the markets ¹⁷ | | | | |
|----------------|---|--|--|--|--|

| Activity | Key outcomes –Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|--|---|--|-----------------------------|---|---|
| C. Support to Mobile Fish Vendors (\$3.3 m) | <ul style="list-style-type: none"> –Mobile fish vendors' income –Quantity and quality of the fish sold by mobile fish vendors –Price received by mobile fish vendors | Comparative analysis with a comparison group | Evaluation survey: 2012 | Baseline by the Agriconsulting through AF5.1. Evaluation report (<i>Edesat</i>): June, 2012 (forthcoming) Endline 2013 | Analysis done on 150 mobile fish vendors in Oujda. A more representative study is carried out through the project final evaluation. |

¹⁷ The ERR analysis for this Activity should be reviewed in the coming year and could identify other benefit streams. In the original project logic, the PDA and port benefit streams were linked to the activities of the wholesale markets located in urban areas. However, these linkages are not as strong as hypothesized in the original analysis because the species caught by small fishermen are not what is typically sold by wholesale markets.

5.3 Artisan and Fez Medina Project (\$ 94.3 m)

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|---|--|-------------------------------|---|---|---|
| <p>A. Literacy and Vocational Education (\$32.8 m)</p> <p><i>i. Functional Literacy (\$22.8m)</i></p> | <p>Beneficiaries' income (through increased value-added for self-employed or salary for employees)</p> | <p>Pre-post</p> | <p>Baseline survey: 2011</p> | <ul style="list-style-type: none"> – Baseline report Agriculture <i>Fellah Conseil</i>: July 2011 – Fishers (<i>AGRER</i>): December 2010 – Artisans (<i>Edesat</i>): April 2011 | <p>Population targeted are farmers, fishers, artisans, some of them already targeted by other Projects. Some intermediate outcomes (adoption of newly acquired literacy and life skills) could be measured through a survey in Y5 on the first cohort who graduated in 2012, but income impact unlikely to be realized until after the end of the Compact. The team will also examine intermediate outcomes from the certification exam which reflect “productive” skill application potential.</p> |
| <p>A. Literacy and Vocational Education (\$32.8 m)</p> <p><i>ii. Vocational Training (\$5.9 m)</i></p> | <p>Beneficiaries' income (through increased value-added for self-employed or salary for employees) Employability of young artisans</p> | <p>Performance evaluation</p> | <p>No baseline survey for recipients of residential or apprenticeship programs Baseline of recipients of continuing</p> | <p>Baseline reports Cont. Ed (<i>Edesat</i>): April 2011</p> | <p>First cohort for residential and apprenticeship training will graduate in June 2012. The insertion rate of these graduates will be investigated in 2013. A meaningful evaluation of this Activity should be done post-Compact. However, end-of-</p> |

| | | | | | |
|---|---|-----------------------|---|--|---|
| | | | education: 2011 Survey of first cohort of residential and apprenticeship: 2013 (planned) Endline survey of continuing education recipient: 2013 (planned) | | Compact studies will focus on improvements in school governance and teacher performance, utilization of program inputs, and qualitative outcomes of the continuing education program. |
| A. Literacy and Vocational Education (\$32.8 m) <i>iii. Small Grants Program (\$3.25 m)</i> | Beneficiaries' income (through increased value-added for self-employed or salary for employees) | No evaluation planned | No baseline | | Grants to associations who propose innovative ways of providing literacy and vocational training. These small interventions target geographically and economically marginal populations. Outcomes from select programs will be described in the Results Report. |

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|--|--|----------------------------------|---|--|--|
| B. Artisan Production (\$4.2 m) | <p>Increased value-added of potters Improved productivity and quality of production Improved workplace health and security</p> | <p>Pre-post</p> | <p>Baseline survey: 2011 End-line: 2013 (planned)</p> | <p>Baseline report (<i>Edesat</i>): April 2011 End-line report: 2013 (planned)</p> | <p>The evaluation will focus on the impact of training on productivity and income; the impact of gas kilns will be also be evaluated for those who have adopted it</p> |
| C. Fez Medina (\$47.25 m) | <p>Increased tourism revenues for the Fez Medina Increased sales revenues for artisan in the Fez Medina</p> | <p>No evaluation yet planned</p> | <p>No baseline</p> | | <p>This Activity involves the renovation of major sites in the Medina. Construction will not be completed until the end of the Compact and beyond. It is unlikely that the expected tourism impact will be realized until 2-5 years beyond the end of the Compact.</p> |
| D. Artisan Promotion (\$10.6 m) | <p>Increased income of individual artisans and increased profits for SMEs in Fez and Marrakech</p> | <p>Pre-post</p> | <p>Baseline survey: 2011 End-line: not planned</p> | <p>Baseline report (<i>Edesat</i>): April 2011</p> | <p>Implementation of the main interventions planned under this Activity has suffered major delays and will begin mid-2012. MCC will plan on completing the evaluation in 2014-2015</p> |

5.4 Financial Services Project (\$ 44.2 m)

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|---|---|--|----------------------|--|--|
| A. Access to Funds for Microfinance (\$26 m) | Increased lending capacity of the micro-finance sector Increased number of micro-finance clients | Performance evaluation (to be planned) | No baseline survey | Final performance evaluation: 2013 (to be planned) | The 3 Activities of this Project target directly the micro-credit sector and institutions and only indirectly the end users. |
| B. New Financial Product Development (\$6 m) | Improved regulatory environment for the micro-finance sector | | | | |
| C. Improvement of Operating Efficiency and Transparency (\$11.7 m) | Increased geographical reach of micro-credit associations Improved efficiency of micro-credit associations | | | | |

5.5 Enterprise Support Project (\$15 m)

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|------------------------------------|---|---|--|---|---|
| A. ANPME Training (\$7.9 m) | <ul style="list-style-type: none"> Increased value-added of participating SMEs and AGR Increased survival rate among participating SMEs | Impact evaluation with randomized treatment and control group of SMEs | Baseline survey: Follow-up surveys (3): 2010, 2011, 2012 Final survey: 2012 (last quarter) | – Baseline report (<i>IPA</i>): Jul. 2010 – Interim reports(<i>IPA</i>): May 2011; Oct. 2011; Apr. 2012 – Final evaluation report: Expected February 2013 | The evaluation is for the pilot phase (\$14m) of the Project and includes all 3 activities, with separate questionnaires for AGR (associations) and Moukawalati (SMEs). The Project will not be scaled up |
| B. OFPPT Training (\$9.9 m) | | | | | |
| C. INDH Training (\$9.0 m) | | | | | |

| | | | | | |
|----|---------|--|--|--|--|
| m) | and AGR | | | | |
|----|---------|--|--|--|--|

5.6 Pilot projects of the Fruit Tree Productivity and Small-scale Fisheries Projects

| Activity | Key outcomes Key evaluation questions | Proposed methodology | Data collection plan | Calendar of analytical reports | Notes |
|---|--|----------------------|--|--|---|
| <p>–Cross cutting activities to integrate women in TC and AF projects</p> <p>–Pilot project to integrate women the chain value of targeted products</p> | <p>Increased women's income</p> <p>Women have the same opportunities to benefit from the Projects</p> <p>Women adopt modern techniques recommended by the Projects</p> | Pre post | <p>Baseline surveys: Planned November 2012</p> <p>End-line surveys: Planned May 2013</p> | <p>– Evaluation of intervention approach in TC project</p> <p>– Evaluation of intervention approach in AF project: January 13</p> <p>– Baseline report for Pilot projects' beneficiaries in agricultural sector : December 12</p> <p>– Baseline reports for Pilot projects beneficiaries in Fishery sector (January 13)</p> <p>– Final evaluation reports: July 2013</p> | <p>Pilot projects for the Small-scale Fisheries Project have not yet been identified. The selection is scheduled for July 2012.</p> <p>Because of significant delays in implementing the pilot projects, there is a risk that the end-line surveys will not capture the impact.</p> |

5.7 Compact-Wide Midterm Review

A midterm review of the Compact was carried out by an independent firm (*Ikesol-Integration*) in 2010. The study aimed at evaluating the performance of the program, assessing the chances of achieving the objectives set for the end of the Compact, and recommending correcting measures as necessary. The evaluation firm used the following criteria to conduct its assessment project by project: consistency between design and implementation, effectiveness of implementation to date, potential for sustainability, and cross-cutting issues, such as gender, environment, and monitoring and evaluation. The firm drew information from project documents, including design studies, work plans, budget, status reports, and audit reports; interview with key informants on the project team (APP and the UGPs), implementers, and MCC; and interviews and focus groups with beneficiaries.

The consultant submitted a draft report in April 2011 and its final report in June 2010. The main findings can be summarized as follows.

- Projects aligned with government priorities and addressed real needs of beneficiaries, thus the projects were found to be relevant.
- Implementation was characterized as being excessively centralized and roles and responsibilities between APP and the UGP were not always clear, resulting in inconsistencies and confusion in decision making.
- Inefficiencies and implementation delays threatened the potential to achieve all objectives.

The main recommendations altogether suggested that project management urgently shift to a result driven approach and more specifically:

- Decentralize decision making process, paying closer attention to information coming from the field and strengthening the communication with beneficiaries.
- Put in place a system of risk management through project critical path analysis and constituting when needed task forces with decision making power to solve problems.
- Work on a sustainability plan anticipating post Compact activities that the Moroccan government should take over to sustain the project.
- As the APP accumulated a unique expertise in terms of managing public programs, maintain the entity after the end of the Compact as an agency dedicated to manage aid development project.

The main findings and recommendations were shared with APP management, MCC and projects teams both at APP and UGPs. It was originally anticipated that a final Compact-wide evaluation would be launched during the last year. However, it was decided against it because of the difficulty in procuring and managing a contract with such a wide-ranging scope on one hand, and the need to procure also during the last year a variety of end of compact data collection on the other. The extent to which the main recommendations of

the mid-term review were implemented should be however analyzed internally by the APP and UGP teams, perhaps in the Compact Completion Report.

6 M&E MANAGEMENT AND ADMINISTRATION

6.1 Monitoring and Evaluation Responsibilities

The implementing agreement between APP and its implementing entities (UGP¹⁸) clearly establishes monitoring and evaluation responsibilities to each implementing entity. Therefore M&E units were created in every UGP to work under the coordination of the APP M&E Director (DME). The DME is tasked with building the capacity of the M&E units within UGPs and promote an exchange of experiences across the teams.

The M&E Plan is developed with the assistance of the UGPs. Each UGP M&E Unit is responsible for implementing a part of the M&E Plan that is relevant to its set of interventions and providing quarterly M&E reports to the DME, in conformity with the transmission schedule outlined above. The DME supervises the implementation of the M&E Plan and ensures that the actions of the UGP M&E Units conform to the established standards.

The DME is in charge of:

- Instituting an M&E Plan that integrates the collection, analysis, verification, and consolidation of information on performance indicators for all projects and places quarterly performance data in an information system.
- Developing procedure manuals for M&E that will form the basis of the monitoring and evaluation tasks of different entities.
- Developing and implementing an M&E training plan for UGP M&E Units, providing methodological tools for conducting M&E, as well as procedures for the collection, processing and dissemination of information.
- Disseminating performance outcomes and impacts to the Moroccan public to facilitate their participation in the MCC Program and engage different stakeholders who are directly or indirectly concerned with project activities and the success of the Program;
- Establishing a data-quality verification strategy with internal and external controls;
- Developing an annual work plan for the M&E staff which is to be submitted to the APP management and MCC for approval;
- Preparing TORs for contracts related to M&E, including baseline data, impact evaluations, program evaluations, mid-term and final evaluations, software for the management information system (MIS), the data quality review and special studies;
- Accompanying M&E Units to observe the process of collecting performance indicator data that are required by the M&E Units;
- Assisting impact evaluation teams, notably supporting their missions and requirements for meetings, information, and accommodation, taking into account the

¹⁸ UGP stands for *Unité de Gestion des Projets*

recommendations of the evaluation team regarding data collection throughout the Compact (including sampling strategy, survey instrument design, survey pre-test etc.) and supporting the dissemination of findings throughout the impact evaluation and at its conclusion.

6.2 Training Strategy

To improve the capacity of various stakeholders in implementing the M&E Plan, training modules were held for the M&E Units and project teams both at APP and UGPs. The modules covered:

- The log matrix approach and the project cycle
- The design and implementation of results-based M&E Plans
- Results-based Project management
- Evaluation of development projects
- Cost-benefit analysis of development project

Each module was provided twice so that people from the same team would follow the training without disrupting projects operations. The training was open to other people from the implementing entities. More than 50 officers benefitted from this training.

In addition, training on project management according to PMI standards was organized in 2011 to APP directors and coordinators as well as for the UGPs. One participant was recently certified Project Management Professional from the Project Management Institute.

6.3 Management Information System

The Department of Monitoring and Evaluation developed, through a contractor, OPTAMAR & M7, selected through a competitive procurement process, an integrated management information system (MIS) to meet the needs of M&E for all Compact projects as well as project teams' needs. In addition to generating the detailed financial plan and procurement plan from project work plans, the MIS includes an archival space where all contracts, deliverables, and miscellaneous reports are stored to assure access a to larger number of users at APP, UGP and MCC.

7 BUDGET

The initial M&E budget of \$20.7 million was over estimated and therefore was reduced in 2011 to \$17.06 million. The funds made available were allocated to other parts of the Compact, to the Small-scale Fisheries Project in particular. After awarding the latest contracts, particularly the final evaluation four lots, and the occurrence of the needs for new contracts (baseline of protected maritime areas), the end of Compact M&E budget is expected to be around 17.06 millions \$.

The M&E budget was used to fund baseline surveys for the Fruit Tree Productivity Project, the Small Scale Fisheries Project, and two activities included in the Artisan and Fez Medina Project (artisan production and promotion). It also funds APP's performance and impact evaluations, data quality review, M&E training and other activities required for the management of M&E activities.

Tableau 6: M&E Budget and disbursement

| | Annual disbursements | Cumulative disbursements |
|-------------------------|-----------------------------|---------------------------------|
| Compact year 1 | \$52,480 | \$52,480 |
| Compact year 2 | \$1.4 million | \$1.47 million |
| Compact year 3 | \$3.98 million | \$5.4 million |
| Compact year 4 | \$4.28 million | 09.7 million |
| Forecast compact year 5 | \$7.2 million | \$17.06 million |

ANNEXES

Annexes I: Indicator Documentation Table

ANNEX I. 1: INDICATOR DOCUMENTATION TABLE FOR FRUIT TREE PRODUCTIVITY

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|--|-----------------|---|---|-----------------|----------------|----------------------------|-------------------|------------------------------|------------------------|
| Activity 1 : Rain-fed Olive, Almond, and Fig Tree Intensification and Expansion | | | | | | | | | |
| | Goal | % increase/decrease in revenue of treatment perimeters (with respect to control perimeters) | (Average revenue of treatment group-average revenue of control group)/ average revenue of control group) | % | | Impact evaluation surveys | M&E team | annual | |
| | Goal | Average agricultural revenue per farm in extension rainfed areas | Average agricultural revenue per farm measured as the difference between the value of all production done on the farm and total costs, fixed and variable. Methodology is described in the baseline report. | US\$ | | Baseline and final surveys | APP/ME | Baseline Post Compact survey | |
| | Outcome | Yield of rehabilitated olive trees in rain-fed areas | Total production of olives per hectare in a sample of perimeters targeted by the rehabilitation activity | tons/ha | | IE Surveys | APP/ME | Annual | |
| | Output | Area planted in olive and almond trees | Total areas planted in olive and almond trees by the Project | Ha | | TC-1A | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|------------------|-----------------|--|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Output | Hectares planted delivered to farmers | Areas planted in olive and almond trees by the Project and delivered to the farmers | Ha | | TC-1A | Project team | Quarterly | |
| | Output | Areas with improved water and soil conservation measures | Total area in the perimeters targeted by the expansion interventions where water and soil conservation measures have been implemented | Ha | | TC-1A | Project team | Quarterly | |
| | Process | Temporary employment generated in expansion areas | Number of work days temporarily created by the extension contracts | days | | TC-1A | Project team | Quarterly | |

Activity 2: Olive Tree Irrigation and Intensification

| | | | | | | | | | |
|--|---------|---|---|---------|--|----------------------------|--------|-----------------------|--|
| | Goal | Average agricultural revenue per farm in PMH | Average agricultural revenue per farm measured as the difference between the value of all production done on the farm and total costs, fixed and variable. Methodology is described in the baseline report. | US\$ | | Baseline and final surveys | APP/ME | Baseline Final survey | |
| | Outcome | Yield of rehabilitated olive trees in irrigated areas | Total production of olives per hectare in a sample of perimeters targeted by the irrigation activity | Tons/ha | | Baseline and final surveys | APP/ME | Baseline Final survey | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|---|-----------------|--|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Output | Hectares under improved PMH irrigation | Number of hectares where irrigation rehabilitation works have been completed in targeted PMH perimeters | Hectares | | TC-1B | | Quarterly | |
| | Process | Temporary employment generated in irrigation | Number of work days temporarily created by the irrigation construction contracts in PMH perimeters | days | | TC-1B | | Quarterly | |
| | Process | Value of signed irrigation construction contracts | Value of all signed construction contracts for PMH irrigation investments funded by the Project | US \$ | | Fiscal agent | Project team | Quarterly | |
| | Process | Percent disbursed of irrigation construction contracts | total amount of all signed construction contracts for PMH irrigation investments disbursed divided by the total value of all signed contracts | US \$ | | Fiscal agent | Project team | Quarterly | |
| Activity 3: Date Tree Irrigation and Intensification | | | | | | | | | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|------------------|-----------------|--|---|-----------------|----------------|----------------------------|-------------------|--------------------------|------------------------|
| | Goal | Average Agricultural revenue per farm in oasis areas | Average agricultural revenue per farm measured as the difference between the value of all production done on the farm and total costs, fixed and variable. Methodology is described in the baseline report. | US\$ | | Baseline and final surveys | APP/ME | Baseline Final survey | |
| | Outcome | Amount of dates processed in oasis areas | Quantity of dates processed by the units either created or supported by the Project in the oasis perimeters | Tons | | Baseline and final surveys | APP/ME | Baseline Endline | |
| | Outcome | Yield of rehabilitated date palms in oasis areas | Total production of dates per tree multiplied by the average number of trees per hectare, in the oasis perimeters targeted by the Project | kg/ha | | Baseline and final surveys | APP/ME | Baseline Endline | |
| | Outcome | Number of in-vitro successfully planted | Number of in-vitro planted by the farmers that are alive after 6 months | Number | | TC-5B | Project team | Quarterly | |
| | Outcome | Number of off-shoots successfully transplanted | Number of off-shoots that have been transplanted by farmers and are alive after 3 months | Number | | TC-5B | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|------------------|-----------------|--|--|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Output | Hectares under improved irrigation | Number of hectares where irrigation rehabilitation works have been completed in targeted oasis perimeters | Hectares | | TC-1B | Project team | Quarterly | |
| | Output | Number of in-vitro distributed | Number of in-vitro distributed to farmers by the Project in the oasis perimeters | Number | | TC-5B | Project team | Quarterly | |
| | Output | Number of palm trees cleared of undergrowth and off-shoots | Number of palm trees cleared of undergrowth and off-shoots by the Project in the targeted oasis perimeters | number | | TC-5B | Project team | Quarterly | |
| | Process | Temporary employment generated in irrigation | Number of work days temporarily created by the irrigation construction contracts in oasis perimeters | days | | TC-1B | Project team | Quarterly | |
| | Process | Value of signed irrigation construction contracts | Value of all signed construction contracts for oasis irrigation investments funded by the Project | US \$ | | Fiscal agent | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|---|-----------------|--|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Process | Percent disbursed of irrigation construction contracts | total amount of all signed construction contracts for oasis irrigation investments disbursed divided by the total value of all signed contracts | US \$ | | Fiscal agent | Project team | Quarterly | |
| Activity 4: Fruit Tree Sector Services | | | | | | | | | |
| | Outcome | Hectares under improved practices as a result of training and technical assistance | The number of hectares where new techniques are being used, including rehabilitation, extension and irrigation interventions | Ha | | Surveys | APP M&E | Endline | |
| | Outcome | Olive and dates processing units that have applied improved techniques | Number of olive and date processing units targeted by the Project that are applying the techniques promoted by the Project | number | | Final evaluation | | Endline | |
| | Output | New date packaging and cold storage units installed | Number of new date packaging units created by the Project in the targeted oasis perimeters | number | | TC-5B | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|------------------|-----------------|--|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Output | Farmers trained in all areas targeted by the Project | Number of farmers that have completed at least one training module in rainfed (olives or almonds), PMH (olives) and oasis (dates) perimeters targeted by the Project | number | By sex | TC-5A TC-5B | Project team | Quarterly | |
| | Output | Youth farmers trained in all areas targeted by the Project | Number of farmers' children and other youth in rural areas that have completed at least one training module in rainfed (olives or almonds), PMH (olives) and oasis (dates) perimeters targeted by the Project | number | By sex | TC-5A TC-5B | Project team | Quarterly | |
| | Output | OPA's members trained in all areas targeted by the Project | Number of people member of professional agricultural organizations (OPA) that have completed at least one training module in all areas targeted by the Project | number | By sex | TC-5A TC-5B | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|------------------|-----------------|---|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| | Output | Olive and date processors assisted | The number of olive or date processing units that are receiving technical assistance on production and hygiene techniques through the Project | number | By sex | TC-5A TC-5B | Project team | Quarterly | |
| | Output | Pilot projects from women's organizations receiving support | Number of women organizations that have been selected as pilot projects and are being implemented | number | | TC-5A TC-5B | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|----------------------------------|-----------------|---|---|-----------------|----------------|---------------------|-------------------|------------------------|------------------------|
| Activity 5: Catalyst Fund | | | | | | | | | |
| | Outcome | Volume of olives crushed by the processing units funded by the CF | Quantity of olives processed by the processing units operated by the GIE (Groupements d'Interet Economique) funded by the Catalyst Fund | Tons | | TC-5A | Project team | Y5 | |
| | Output | Number of operational olive processing units funded by the CF | Number of processing units that are operational through CF support to GIE | number | | TC-5A | Project team | Quarterly | |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|-------------------------|------------------------|---|---|------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|-------------------------------|
| | Output | Number of CF proposals approved | Number of project that have received all the approvals for funding under the CF and are ready to be implemented | number | | TC-5A | Project team | Quarterly | |
| | Processes | Number of crushing units Constructed and Equipped | Number of Crushing Units whose construction and equipment are completed and accepted. | number | | TC-5A | Project team | Quarterly | |

ANNEX I. 2: INDICATOR DOCUMENTATION TABLE FOR SMALL SCALE FISHERIES

| Development of fish landing sites and port facilities (PDA and Ports) | | | | | | | |
|---|--|--|-----------------|----------------|------------------------|-------------------|------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Goal | Net annual income of boats at PDAs and ports | Average annual value of catches (all species) minus operating costs (gasoline, ice, maintenance) of boats operating in the PDAs and Ports financed by the Project | US\$ | 0 | surveys INRH | INRH | Baseline Endline |
| Outcome | Average price of fish at auction hall in PDAs and Ports | Average annual price for a pre-determined basket of the main species of fish sold by fishermen at the auction hall of the PDA of TIFNIT. The average is recalculated every quarter to incorporate new data until year end. | DH/kg | 0 | ONP information system | UGP | Quarterly |
| Output | Number of work days created through construction works in PDAs, Ports, and Wholesale Markets | Cumulative number of work days created during construction works in PDAs, Ports, and Wholesale Market | Number | 0 | UGP | UGP | Quarterly |
| Output | Number of boats using new landing sites and port infrastructure | Average daily number of boats landing at PDAs and ports per day over the last quarter | Number | 0 | ONP Information System | UGP | Quarterly |

| | | | | | | | |
|--------|---|---|--------|---|---------|---------|-----------|
| Output | Number of PDAs and ports available to fishermen | Number of PDA and ports where artisan fisheries infrastructure is constructed or equipped and accepted by the Project | Number | 0 | Project | Project | Quarterly |
|--------|---|---|--------|---|---------|---------|-----------|

A. Development of fish landing sites and port facilities (PDA and Ports) (Continued)

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|--|--|-----------------|----------------|---------------------|-------------------|------------------------|
| Output | Number of artisan fishers who received a training certificate | Cumulative number of fishermen who completed the training and have received a certificate of completion | Number | 0 | UGP | UGP | Quarterly |
| Output | Number of pilot projects being implemented | Number of pilot projects approved and under implementation to integrate women in the small fishery value chain | Number | 0 | UGP | UGP | Quarterly |
| Output | Number of AMP created | Number of AMP (Maritime Protected Areas) officially created (as published in the government official bulletin). | Number | 0 | UGP | UGP | Quarterly |
| Process | Percent of PDAs and ports construction and equipment contracts disbursed | Value of signed construction and equipment contract disbursed as a share of the total value of all 22 construction | Percent | 0 | Fiscal Agent | APP M&E | Quarterly |

| | | | | | | | |
|--|--|-------------------------|--|--|--|--|--|
| | | and equipment contracts | | | | | |
|--|--|-------------------------|--|--|--|--|--|

B. Development of wholesale fish markets

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|---|---|-----------------|----------------|------------------------|-------------------|------------------------|
| Outcome | Number of permanent jobs created in wholesale markets | Number of permanent jobs created in newly constructed wholesale markets – number of jobs that existed in old wholesale markets of Rabat, Meknes and Marrakech | Number | | UGP | UGP | Quarterly |
| Outcome | Per capita fish consumption in urban areas | Average per capital household consumption of fish in cities with wholesale fish markets financed by the Project | Kilograms | | Final evaluation | APP M&E | Baseline Endline |
| Output | Number of wholesale markets operational | Number of wholesale markets completed and accepted and where fish is being marketed | Number | | UGP | UGP | Quarterly |
| Output | Quantity of fish sold through the new wholesale market of Beni Mellal | Total volume of fish sold through the Beni Mellal wholesale markets funded by MCC | Tons | | ONP information system | UGP | Quarterly |

| Process | Percent of wholesale market construction contracts disbursed | Value of signed construction contract disbursed as a share of the total value of all 5 construction contracts | Percentage | Fiscal Agent | APP M&E | Quarterly |
|---------|--|---|------------|--------------|---------|-----------|
|---------|--|---|------------|--------------|---------|-----------|

| C. Support to mobile fish vendors | | | | | | | |
|--|--|---|------------------------|-----------------------|--------------------------------|--------------------------|-------------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Goal | Net annual income of mobile fish vendors | Aggregate annual value of sales of all mobile fish vendors minus - costs (gazoline, insurance, ice, depreciation, interest) | US\$ | | Baseline and Y4 surveys | APP M&E | Baseline Y4 |
| Outcome | Quantity of fish sold by mobile fish vendors | Average weight of fish sold per day by a mobile fish vendor supported by the Project. Daily average is calculated over a quarter. | Kilograms | | Baseline (AF-5) and Y4 surveys | M&E | Baseline Y4 |
| Output | Number of active mobile fish vendors trained and equipped by the project | Cumulative number of active mobile fish vendors who have been trained and equiped with a motorcycle and insulated ice chest subsidized by the project | Number | | UGP | UGP | Quarterly |

ANNEX I. 3: INDICATOR DOCUMENTATION TABLE FOR ARTISAN AND FEZ MEDINA PROJECT

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Dis-aggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|---------------------------------------|------------------------|--|---|------------------------|------------------------|------------------------------|--------------------------|-------------------------------|
| Activity 1: Artisan Production | | | | | | | | |
| | Goal | Income of individual artisans and employees | Average annual net income of individual artisans | US \$ | | Baseline and endline surveys | APP/MCC | Baseline Endline |
| | Outcome | Pottery production loss rate | Average number of pottery pieces broken or destroyed during a cooking operation over the total number of pieces cooked | Percentage | | Baseline and endline study | UGP/APP | Baseline Endline |
| | Outcome | Adoption rate of improved production practices promoted by the Project | Number of potters who adopted 50 % of improved practices recommended by the project as a share of the number of potters trained | Percentage | | Endline study | UGP/APP | Endline |
| | Output | Number of potters trained | Number of potters who attended at least one training module | number | | Project | UGP | Quarterly |
| | Output | Number of gas kilns delivered to artisans | Cumulative number of gaz kilns bought by potters with the project subsidy | number | | Project | UGP | Quarterly |

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Dis-aggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|---------------------------------------|-----------------|--|---|-----------------|-----------------|------------------------------|-------------------|------------------------|
| Activity 2 : Artisan Promotion | | | | | | | | |
| | Goal | Profit of SMEs | Average annual net revenue of artisan SMEs (value of sales minus all costs) | US \$ | | Baseline and endline surveys | APP/MCC | Baseline Endline |
| | Goal | Income of individual artisans and employees | Average annual net income of individual artisans | US \$ | | Baseline and endline surveys | APP/MCC | Baseline Endline |
| | Outcome | Number of SMEs that append the label on their products | Cumulative number of SMEs that have appended the label on at least one of their products | number | By sex | Project reporting | UGP | Endline |
| | Output | Number of touristic circuits created/upgraded by the Project | Number of touristic circuits that have been created or upgraded in Fez and Marrakech, where guides and maps that have been developed and distributed to tourism professionals | number | | Project | UGP | Quarterly |
| | Output | Number of artisans participating in promotion events | Number of artisans who have participated in at least one national or international shows or marketing trips | number | By sex | Project | UGP | Quarterly |
| | Output | Number of SMEs participating in promotion events | Number of SMEs who have participated in at least one national or international | number | By sex | Project | UGP | Quarterly |

| | | | | | | | | |
|--|--|--|--------------------------|--|--|--|--|--|
| | | | shows or marketing trips | | | | | |
|--|--|--|--------------------------|--|--|--|--|--|

| Common Indicator | Indicator Level | Indicator Name | Definition | Unit of Measure | Dis-aggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-------------------------------|-----------------|---|--|-----------------|-----------------|----------------------------|-------------------|------------------------|
| Activity 3: Fez Medina | | | | | | | | |
| | Outcome | Number of tourists visiting Fez | Annual number of tourist visiting Fez who stayed in hotels rated by the Tourism Observatory at least one night | number | | Tourism Observatory of Fez | UGP | Quarterly |
| | Outcome | Average length of stay in hotels of Fez | Average number of nights spent by tourist in Fez in hotels rated by the Tourism Observatory on a yearly basis | number | | Tourism Observatory of Fez | UGP | Quarterly |
| | Outcome | Average daily expenditures per tourist | Average amount of money spent by one tourist over 24 hours in Fez. | US Dollars | | Survey | UGP | Post-compact survey |
| | Output | Number of rehabilitated or/and constructed sites | Number of rehabilitated/constructed sites temporarily accepted by the project team. | number | | Project Team | M&E/APP | Quarterly |
| | Process | Number of beneficiaries of Ain Nokbi | Number of beneficiaries at Ain Nokbi site whose workshops are in activity | number | Female & male | Calculation of M&E team | M&E/APP | Quarterly |
| | Process | Value of signed construction and rehabilitation works contracts | Total value of signed contracts for construction and rehabilitation works for the 6 sites : PLY, 4 foundouks and Ain Nokbi | US Dollars | - | Fiscal agent | APP/UGP | Quarterly |

| | | | | | | | | |
|--|---------|--|--|------------|--|--------------|---------|-----------|
| | Process | Value disbursed of construction and rehabilitation works contracts | The total amount disbursed of all signed contracts for the construction and rehabilitation of the six sites:PLY, 4 foundouks and Ain Nokbi | US Dollars | | Fiscal agent | APP/UGP | Quarterly |
|--|---------|--|--|------------|--|--------------|---------|-----------|

ANNEX I. 4: INDICATOR DOCUMENTATION TABLE FOR FUNCTIONAL LITERACY & VOCATIONAL TRAINING ACTIVITY

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|---|--|---|-----------------|------------------------|------------------------------|-------------------|------------------------|--|
| Activity name: Functional Literacy & Vocational training | | | | | | | | |
| Sub activity 1: Functional Literacy | | | | | | | | |
| Goal | Annual income of functional literacy beneficiaries | Income : Value of sales - costs for self-employed or salaries for farmers, artisans and fishers | US \$ | By gender By sector | Baseline Post-compact survey | APP M&E | Baseline Post-Compact | Source = ERR |
| Outcome | Graduates of MCC-supported Functional Literacy program | The number of students who graduate from the 420-hour Functional Literacy training program and obtain a Functional Literacy certificate | number | By gender | MSI | Project team | Quarterly | target is measured as 80% exam passing rate among the 75% of enrollees remaining to the end of the program |
| Output | Students participating in the MCC-supported | Number of artisans, fishers and farmers enrolled in the | number | By gender | MSI | Project team | Quarterly | |

| | | | | | | | | |
|---------|--|--|------------|-----------|--------------|--------------|-----------|--|
| | functional literacy program | literacy training program. Enrolled students have been selected by the placement exam for the Functional Literacy program and have shown up to the first class | | | | | | |
| Output | Instructors trained in functional literacy | Numbers of functional literacy instructors who have completed at least The thirth session of the MCC-supported training-of-trainers program (including <i>alphabétiseurs</i> , <i>superviseurs</i>) | number | By gender | MSI | Project team | Quarterly | |
| Process | Value of signed educational facility equipping | The value of all signed contracts for educational facility | US Dollars | | Fiscal agent | Fiscal agent | Quarterly | |

| | | | | | | | | |
|---------|--|--|------------|--|--------------|--------------|-----------|--|
| | contracts (Functional Literacy) | equipping for the functional Literacy sub-Activity | | | | | | |
| Process | Value disbursed of equipping contracts (Functional Literacy) | The value disbursed of all signed equipping contracts for the functional literacy sub-Activity | US Dollars | | Fiscal agent | Fiscal agent | Quarterly | |

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|--|---|---|-----------------|---|----------------------------------|---------------------------------|----------------------------------|------------------------|
| Sub activity 2: Vocational training | | | | | | | | |
| Goal | Annual income of vocational training beneficiaries (residential and apprenticeship) | Value of sales - costs for self-employed graduates or salaries for graduated and employed artisans | US Dollars | By gender by type of training (residential or apprenticeship) | Post-compact survey of graduates | Direction du Suivi & Evaluation | Baseline and Post-compact survey | Source = ERR |
| Goal | Annual income of Continuing training beneficiaries | Value of sales - costs for self-employed participants in continuing training or salaries for participants | US Dollars | male/female | Post-compact survey of graduates | Direction du Suivi & Evaluation | Baseline and Post-compact survey | Source = ERR |
| Outcome | Employed graduates of MCC-supported education activities/residential and apprenticeship vocational training | Number of MCC-supported residential and apprenticeship vocational training program graduates, employed in their field of study (fine ironwork, fine | Number | By gender and by type of training (residential or apprenticeship) | Post-compact survey of graduates | Direction du Suivi & Evaluation | Baseline and Post-compact survey | |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | carpentry, traditional weaving, pottery, or leatherwork) within one year of graduation | | | | | | |
|--|--|--|--|--|--|--|--|

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|-----------------|---|--|-----------------|---|---|---|------------------------|---|
| Output | Students enrolled in MCC-supported residential or apprenticeship programs | Numbers of students enrolled in the 2-year residential or the 1-2-year apprenticeship programs. A student is reported as enrolled when presence in the program is confirmed at the beginning of the term following registration. | number | By gender and by type of training (residential or apprenticeship) | MSI quarterly report, as reported by artisan sector | Functional Literacy Vocational Training Project and MSI | Quarterly | MCC-supported program started in Year 3 |
| Output | Instructors trained for residential and apprenticeship | Numbers of instructors who complete the MCC-supported training-of-trainers program | number | male/female | MSI quarterly report, as reported by artisan sector | Functional Literacy Vocational Training Project and MSI | Quarterly | |
| Outcome | Drop-out rates of participants of residential and | Percentage of residential and apprenticeship trainees who | Percentage | By gender by type of training (residential or | MSI quarterly report, as | Functional Literacy Vocational Training Project and MSI | Quarterly | MCC-supported program started in |

| | | | | | | | | |
|---------|---|---|------------|--|----------------------------|---|-----------|--|
| | apprenticeship programs. | drop-out of the programs prior to completion. | | apprenticeship) and aggregated for female & male | reported by artisan sector | | | Year 3. Weighed average by the number of beneficiaries by type of training |
| Output | Artisans participating in the MCC-supported continuing education program. | Numbers artisans attending the 4-day continuing education program | number | male/female | MSI quarterly report | Functional Literacy Vocational Training Project and MSI | Quarterly | MCC-supported program started in Year 3 |
| Process | Value of signed educational facility equipping contracts (Vocational Training) | The value of all signed contracts for educational facility equipment for the vocational training sub-Activity | US Dollars | | Fiscal agent | Fiscal agent | Quarterly | |
| Process | Value disbursed of construction, rehabilitation and equipping contracts (Vocational Training) | The value disbursed of all signed equipping contracts for the Vocational Training sub-Activity | US Dollars | | Fiscal agent | Fiscal agent | Quarterly | |

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting | Additional Information |
|---|---|--|-----------------|----------------|------------------------------|-------------------|------------------------|---|
| Sub activity 3: Competitive Skills Development Program | | | | | | | | |
| Goal | Annual income of Competitive Skills Development Program beneficiaries | Income : Value of sales - costs for self-employed or salaries for farmers, artisans and fishers | US Dollars | By sex | Baseline Post-compact survey | APP M&E | Baseline Post-Compact | |
| Outcome | Number of beneficiaries who obtained a Competitive Skills Development Program certificate of completion | Total number of Competitive Skills Development Program beneficiaries from artisan, fisheries and agriculture sectors who have successfully completed the program | Number | By sex | MSI | Projet team | Quarterly | Competitive Skills Development program has several categories of programs, overlapping several sectors, addressing different skill sets (literacy vs. vocational) |

ANNEX I. 5: INDICATOR DOCUMENTATION TABLE FOR FINANCIAL SERVICES

| Project: Financial Services | | | | | | | |
|-----------------------------|--|---|-----------------|----------------|--|-------------------|------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Goal | Number of active microfinance clients | Number of individuals who currently have at least one open loan with a microcredit association in Morocco | number | | Statistics from FNAM, and Reports from Jaida | Project team | quarterly |
| Goal | Outstanding portfolio of the microfinance sector | Value of loans outstanding at microcredit associations in Morocco | Billion DHS | | Statistics from FNAM, and Reports from Jaida | Project team | quarterly |

| A. Access to Funds for Microfinance | | | | | | | |
|-------------------------------------|--|---|-----------------|----------------|---------------------|-------------------|------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Outcome | Value of loan agreements between Micro credit associations and Jaida | Total value of loans agreements signed between Jaida and microcredit associations (AMCs) | Million DHS | | JAIDA | Project team | semi-annual |
| Output | Number of loan officers trained on social and environmental norms | Number of microcredit association officers who have completed the training on social and environmental norms by APP | Number | By sex | JAIDA | Project team | quarterly |
| Output | Value of loan disbursements to Jaida | Value of MCC funds disbursed to Jaida | US Dollars | | Project team | Project team | semi-annual |

| B. New Financial Product Development | | | | | | | |
|--------------------------------------|---|--|-----------------|----------------|---------------------|-------------------|------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Output | Number of AMCs with a grant from the TA/Transformation Fund | Number of Micro credit associations that have obtained a grant from the Technical Assistance/Transformation Fund in support of their transformation from association to a new status | number | | Project team | Project team | |
| Process | Percent disbursed of the transformation technical assistance fund | Value of the technical assistance/transformation contracts disbursed as a share of the total budget of the technical assistance fund | Percent | | Fiscal agent | Project team | |

| C. Improvement of Operating Efficiency and Transparency | | | | | | | |
|---|----------------------------------|---|-----------------|----------------|---|-------------------|------------------------|
| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
| Outcome | Financial self sufficiency ratio | Financial Revenue/(Financial Expense + Impairment Losses on Loans + Operating Expenses. The weighed average is calculated for the main AMCs (Alamana, Fondation Banque Populaire, Fondet et Ardi) that represent 90% of the microcredit market. | Percentage | | Statistics from Center Mohammed VI + the certified financial statements of all AMCs | Project team | annual |

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|--|--|-----------------|----------------|------------------------------------|-------------------|------------------------|
| Outcome | Portfolio at risk 30 days | Outstanding balance, portfolio overdue > 30 Days + renegotiated portfolio / Gross Loan Portfolio [Average for all AMCs in Morocco] | Percentage | | Statistics from Center Mohammed VI | Project team | Annual |
| Outcome | Value of loans granted through mobile branches | Cumulative value of all loans provided by AMCs through MCC-funded mobile branches | US Dollars | | Project | Project team | annual |
| Outcome | Number of mobile branches clients | Cumulative number of clients of AMCs who contracted at least one loan through a mobile branch funded by MCC | number | By sex | Project | Project team | quarterly |

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|---|--|-----------------|----------------|------------------------------|-------------------|------------------------|
| Outcome | Proportion of AMCs who report to the credit bureau | Number of AMCs who report portfolio information to the Credit bureau as a share of the total number of AMCs | Percentage | | Statistics from FNAM and BAM | Project team | semi-annual |
| Outcome | Proportion of AMCs who request information to the credit bureau | Number of AMCs who request information about their clients to the Credit Bureau as a share of the total number of AMCs | Percentage | | Statistics from FNAM and BAM | Project team | semi-annual |
| Output | Number of mobile branches acquired | Number of mobile branches acquired by AMCs through the project | Number | | Project | Project team | Quarterly |
| Output | Number of financial ratings carried out | Number of financial ratings requested by AMCs and completed with funding from the | Number | | Project | Project team | quarterly |

| | | | | | | | |
|--------|--|--|--------|--|---------|--------------|-----------|
| | | Rating Fund | | | | | |
| Output | Number of social ratings carried out | Number of social ratings requested by AMCs and completed with funding from the Rating Fund | Number | | Project | Project team | quarterly |
| Output | Number of AMCs with a grant from the Technology Facility | Number of AMCs who have requested a grant to support new technology and are using it in their operations | Number | | Project | Project team | quarterly |

ANNEX I. 6: INDICATOR DOCUMENTATION TABLE FOR ENTERPRISE SUPPORT PROJECT

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|------------------------|---|---|------------------------|-----------------------|----------------------------|--------------------------|-------------------------------|
| Goal | Enterprise mortality Reuction rate | % Reduction in SME mortality (treatment firms with respect to control firms) one year after support completion | % | | Impact evaluation Survey | Contractor IPA (ME-4) | Baseline & endline |
| Goal | Enterprise Value added improvement rate | % increase in SME value added (Sales less costs for treatment firms with respect to control group) one year after support completion | % | | Impact evaluation Survey | Contractor IPA (ME-4) | Baseline & endline |
| | AGR Value added improvement rate | % increase in AGR value added (Sales less costs for treatment AGRs with respect to control group) one year after support completion | % | | Impact evaluation Survey | Contractor IPA (ME-4) | Baseline & endline |

Objective Indicators and Targets

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|------------------------------|--|-----------------|----------------|--------------------------|-----------------------|------------------------|
| Outcome | Enterprise Sales improvement | % increase in annual sales of enterprises of treatment firms with respect to control group one year after support completion | % | | Impact evaluation Survey | Contractor IPA (ME-4) | Baseline & endline |
| Outcome | AGR Sales improvement | % increase in annual sales of AGRs of treatment firms with respect to control group one year after support completion | % | | Impact evaluation Survey | Contractor IPA (ME-4) | Baseline & endline |

Output Indicators and Targets

| Indicator Level | Indicator Name | Definition | Unit of Measure | Disaggregation | Primary Data Source | Responsible Party | Frequency of Reporting |
|-----------------|---|--|-----------------|----------------|---------------------|--|------------------------|
| Output | Number of entrepreneurs supported through the project | Number of entrepreneurs (OFPPT & ANPME) that benefitted from the project training and technical assistance | number | | Project reporting | Monitoring and Evaluation Units of the implementing entities (ANPME, OFPP) | Quartarely |
| Output | Number of AGRs supported | Number of AGRs (INDH) that benefitted from the project training and technical assistance | Number | | | | |
| Process | Number of Government officers trained | Number of Government officers trained by the project from the three implementing entitites | Number | | | | |
| Process | Number of offices and DAS equipped with IT | Number of regional offices (ANPME & OFPPT) and DAS (INDH) | Number | | | | |

Annexes II: Indicators' baseline and targets

ANNEX II. 1: BASELINES AND TARGET TABLE FOR FRUIT TREE PRODUCTIVITY PROJECT

| Common Indicator | Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets |
|--|-----------------|---|-----------------|--------------------------|-----------------|--------|--------|--------|--------|--------|-----------------------|-----------------------------|----------------------------------|
| Activity 1 : Rain-fed Olive, Almond, and Fig Tree Intensification and Expansion | | | | | | | | | | | | | |
| | Goal | % increase/decrease in revenue of treatment perimeters (with respect to control perimeters) | % | level | 0 | N/A | N/A | N/A | N/A | N/A | N/A | Agricultural season 2009/10 | |
| | Goal | Average agricultural revenue per farm in extension rainfed areas | US\$ | Level | 2 502 | | | | | 2 234 | 2 234 | Agricultural season 2008/09 | ERR |
| | Outcome | Yield of rehabilitated olive trees in rain-fed areas | tons/ha | Level | 1,14 | | | | 1,31 | 1,48 | 1,48 | Agricultural season 2009/10 | ERR |
| | Output | Area planted in olive and almond trees | Ha | Cumulative | 0 | 398 | 9 262 | 42 451 | 60 372 | 60 372 | 60 372 | | Project documents (TC-3A) |

| Comm on Indicator | Indicat or Level | Indicator Name | Unit of Measure | Indica tor Classificatio n | Base line (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compa ct Target | Baselin e year | Source or calculati on of targets |
|--|------------------|--|-----------------|----------------------------|------------------|--------|--------|--------|--------|--------|------------------------|------------------------------|-----------------------------------|
| | Output | Hectares planted delivered to farmers | Ha | Cumul ative | 0 | 0 | 0 | 4 803 | 25 496 | 60 372 | 60 372 | | Project documents (TC-3A) |
| | Output | Areas with improved water and soil conservation measures | Ha | Cumul ative | 0 | 1 643 | 4 130 | 23 547 | 41 901 | 41 901 | 41 901 | | Project documents (TC-3A) |
| | Proces s | Temporary employment generated in expansion | days | Cumul ative | 0 | N/A | N/A | N/A | N/A | N/A | N/A | | Project team |
| Activity 2: Olive Tree Irrigation and Intensification | | | | | | | | | | | | | |
| | Goal | Average agricultural revenue per farm in PMH | US\$ | Level | 4 784 | | | | | 6 480 | 6 480 | Agricult ural season 2008/09 | ERR |
| | Outco me | Yield of rehabilitated olive trees in irrigated areas | Tons/h a | Level | 4,20 | | | | | 6,00 | 6,00 | Agricult ural season 2008/09 | ERR |
| | Output | Hectares under improved PMH irrigation | Hectar es | Cumul ative | 0 | | | 5 730 | 27 000 | 33 983 | 33 983 | | Project documents (TC-3B) |
| | Proces s | Temporary employment generated in | numbe r | Cumul ative | 0 | n/a | n/a | n/a | n/a | n/a | n/a | | |

| Comm on Indicator | Indicat or Level | Indicator Name | Unit of Measure | Indica tor Classificatio n | Base line (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compa ct Target | Baselin e year | Source or calculati on of targets |
|---|------------------|--|-----------------|----------------------------|------------------|--------|-------------|-----------|--------------|--------------|------------------------|------------------------------|--|
| | | irrigation works (PMH areas) | | | | | | | | | | | |
| | Proces s | Value of signed irrigation construction contracts | US \$ | Cumul ative | 0 | | 10 05 6 392 | 481556 84 | 567184 96,38 | 567184 96,38 | 567184 96,38 | | Project documen ts (TC-3B) |
| | Proces s | Percent disbursed of irrigation construction contracts | US \$ | Cumul ative | 0 | | 11% | 24% | 85% | 100% | 100% | | Project documen ts |
| Activity 3: Date Tree Irrigation and Intensification | | | | | | | | | | | | | |
| | Goal | Average Agricultural revenue per farm in oasis areas | US\$ | Level | 8 447 | | | | | 11 831 | 11 831 | Agricult ural season 2008/09 | ERR |
| | Outco me | Amount of dates processed in oasis areas | Tons | Level | 128 | | | | | 5 728 | 5 728 | Agricult ural season 2008/09 | Project documen ts (IOS Partner study) |
| | Outco me | Yield of rehabilitated date palms in oasis areas | kg/tree | Level | 36,3 | | | | | 56,6 | 56,6 | Agricult ural season 2008/09 | ERR |

| Comm on Indicator | Indicat or Level | Indicator Name | Unit of Measure | Indica tor Classificatio n | Base line (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compa ct Target | Baselin e year | Source or calculati on of targets |
|-------------------|------------------|--|-----------------|----------------------------|------------------|--------|--------|--------|---------|---------|------------------------|----------------|--------------------------------------|
| | Outco me | Number of in-vitro successfully planted | Numb er | Cumul ative | 0 | | | 10 700 | 47 244 | 236 008 | 236 008 | | Project documents (TC-6A1 and TC-5B) |
| | Outco me | Number of off-shoots successfully transplanted | Numb er | Cumul ative | 0 | | | 50 912 | 343 275 | 343 275 | 343 275 | | Project documents (TC-6A2 and TC-5B) |
| | Output | Hectares under improved irrigation | Hectar es | Cumul ative | 0 | | | 12 362 | 19 393 | 19 393 | 19 393 | | Project documents (TC-3B) |
| | Output | Number of in-vitro distributed | Numb er | Cumul ative | 0 | | | 49 730 | 108 800 | 250 000 | 250 000 | | Project documents (TC-6A1) |
| | Output | Number of palm trees cleared of undergrowth and off-shoots | numbe r | Cumul ative | 0 | | | 59 474 | 140 000 | 170 000 | 170 000 | | Project documents (TC-6A2) |
| | Proces s | Temporary employment generated in irrigation works (oasis areas) | numbe r | Cumul ative | 0 | n/a | n/a | n/a | n/a | n/a | n/a | | |

| Comm on Indicator | Indicat or Level | Indicator Name | Unit of Measure | Indica tor Classificatio n | Base line (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compa ct Target | Baselin e year | Source or calculati on of targets |
|---|------------------|--|-----------------|----------------------------|------------------|--------|-------------|--------------|--------------|--------------|------------------------|----------------|-----------------------------------|
| | Proces s | Percent disbursed of irrigation construction contracts | US \$ | Cumul ative | 0 | | 7% | 51% | 96% | 100% | 100% | | Project documents |
| | Proces s | Value of signed irrigation construction contracts | US \$ | Cumul ative | 0 | | 21 43 1 588 | 353936 36,62 | 353936 36,62 | 353936 36,62 | 353936 36,62 | | contrats des travaux TC-3B |
| Activity 4: Fruit Tree Sector Services | | | | | | | | | | | | | |
| | Outco me | Hectares under improved practices as a result of training and technical assistance | Ha | Cumul ative | 0 | | | | | 91 273 | 91 273 | | Etudes TC-1A et TC-1B (PARIOP) |
| | Outco me | Olive and dates processing units that have applied improved techniques | numbe r | Cumul ative | 0 | | | | | 114 | 114 | | contrats TC-5A et TC-5B |
| | Output | New date packaging and cold storage units installed | numbe r | Cumul ative | 0 | | | | 5 | 7 | 7 | | Direction du PAF/APP |
| | Output | Farmers trained in all areas targeted by the | numbe r | Cumul ative | 0 | | | 8 344 | 42 000 | 42 000 | 42 000 | | contrats TC-5A et TC-5B |

| Comm on Indicator | Indicat or Level | Indicator Name | Unit of Measure | Indica tor Classificatio n | Base line (Year) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compa ct Target | Baselin e year | Source or calculati on of targets |
|-------------------|------------------|---|-----------------|----------------------------|------------------|--------|--------|--------|--------|--------|------------------------|----------------|--|
| | | Project | | | | | | | | | | | |
| | Output | Youth farmers trained in all areas targeted by the Project | numbe r | Cumul ative | 0 | | | 2 489 | 7 500 | 7 500 | 7 500 | | contrats TC-5A et TC-5B |
| | Output | OPA's members trained in all areas targeted by the Project | numbe r | Cumul ative | 0 | | | | 2 880 | 2 880 | 2 880 | | contrats TC-5A et TC-5B |
| | Output | Olive and date processors assisted | numbe r | Cumul ative | 0 | | | | 108 | 114 | 114 | | contrats TC-5A et TC-5B |
| | Output | Pilot projects from women's organizations receiving support | numbe r | Cumul ative | 0 | | | | 14 | 14 | 14 | | Résultats de la commissi on de sélection |

| Activity 5: Catalyst Fund | | | | | | | | | | | | | |
|---------------------------|-----------|---|--------|------------|---|--|--|--|----|-------|-------|--|--|
| | Outcome | Volume of olives crushed by the processing units funded by the CF | Tons | Cumulative | 0 | | | | | 6 240 | 6 240 | | Etudes de faisabilité des 4 GIE de la première tranche |
| | Output | Number of operational olive processing units funded by the CF | number | Cumulative | 0 | | | | 10 | 20 | 20 | | Workplan CF |
| | Output | Number of CF proposals approved | number | Cumulative | 0 | | | | 20 | 20 | 20 | | Workplan CF |
| | Processes | Number of crushing units Constructed and Equipped | number | Cumulative | 0 | | | | | | 20 | | TC-5A |

ANNEX II. 2: BASELINE AND TARGETS FOR SMALL SCALE FISHERIES PROJECT

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|---|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|
| A .Development of fish landing sites and port facilities (PDA and Ports) | | | | | | | | | | | |
| Goal | Net annual income of boats at PDAs and ports | US\$ | level | 16 058 | | | | | 27 434 | 27 434 | 2010 |
| Outcome | Average price of fish at auction hall in PDAs and Ports | DH/kg | level | 35,19 | | | | | 40,5 | 40,5 | 2010 |
| Output | Number of work days created through construction works of PDAs, Ports, and Wholesale Markets | Number | cumulative | 0 | NA | NA | NA | NA | NA | NA | |
| Output | Number of boats using new landing sites and port infrastructure | Number | cumulative | 0 | 0 | 0 | 0 | 393 | 4 368 | 4 368 | |
| Output | Number of PDAs and ports available to fishermen | Number | cumulative | 0 | 0 | 0 | 0 | 2 | 22 | 22 | |
| Output | Number of artisan fishers who received a training certificate | Number | cumulative | 0 | | | | 7 000 | 15 000 | 15 000 | |
| Output | Number of pilot projects being implemented | Number | cumulative | | | | | 4 | 4 | 4 | |

| | | | | | | | | | | | |
|---------|--|---------|------------|--|--|--|--|-----|------|------|--|
| Output | Number of AMP created | Number | cumulative | | | | | | 3 | 3 | |
| Process | Percent of PDAs and ports construction and equipment contracts disbursed | Percent | cumulative | | | | | 49% | 100% | 100% | |

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|---|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|
| B. Development of wholesale fish markets | | | | | | | | | | | |
| Outcome | Number of permanent jobs created in wholesale markets | Number | cumulative | 57 | NA | NA | NA | NA | 657 | | |
| Outcome | Per capita fish consumption in urban areas | Kilograms | level | 12 | | | | | 14 | 14 | 2010 |
| Output | Number of wholesale markets operational | Number | cumulative | 0 | | | | | 5 | 5 | |
| Output | Quantity of fish sold through the new wholesale market of Beni Mellal | Tons | cumulative | 0 | | | | | 9 391 | 9 391 | |
| Process | Percent of wholesale market construction contracts disbursed | Percentage | cumulative | 0 | | | | 51% | 100% | 100% | |
| C. Support to mobile fish vendors | | | | | | | | | | | |
| Goal | Net annual income of mobile fish vendors | US\$ | level | 3 587 | | | | | 4 880 | 4 880 | 2010 |
| Outcome | Quantity of fish sold by mobile fish vendors | Kilograms | level | 65 | | | | | 72 | 72 | 2010 |
| Output | Number of active mobile fish vendors trained and equipped by the project | Number | cumulative | 0 | | | 199 | 750 | 1 300 | 1 300 | 2010 |

ANNEX II. 3 : BASELINE AND TARGETS FOR ARTISAN AND FEZ MEDINA PROJECT

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets | |
|---------------------------------------|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|----------------------------------|-------------------------------------|
| Activity 1: Artisan Production | | | | | | | | | | | | | |
| Goal | Income of individual artisans and employees | US \$ | level | 4 351 | | | | | | TBD | 2011 | Project documents | |
| Outcome | Pottery production loss rate | Percentage | level | 30 | | | | | | 5 | 5 | 2006 | Project documents & final assesment |
| Outcome | Adoption rate of improved production practices promoted by the Project | Percentage | level | 0 | | | | | | 80 | 80 | | Project documents |
| Output | Number of potters trained | number | cumulative | 0 | | | 2 332 | 2 332 | 2332 | 2332 | 2010 | Project documents | |
| Output | Number of gas kilns delivered to artisans | number | cumulative | 0 | | | | | | 144 | 144 | 2009 | |

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets |
|--------------------------------------|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|----------------------------------|
| Activity 2: Artisan Promotion | | | | | | | | | | | | |
| Goal | Profit of SMEs | US \$ | level | 29 137 | | | | | TBD | TBD | 2011 | Project documents |
| Goal | Income of individual artisans and employees | US \$ | level | 4 351 | | | | | TBD | TBD | 2011 | Project documents |
| Outcome | Number of SMEs that append the label on their products | number | level | 0 | | | | | 30 | 30 | | Project documents |
| Output | Number of touristic circuits created/upgraded by the Project | number | cumulative | 0 | | | | | 7 | 7 | | Project documents |
| Output | Number of artisans participating in promotion events ¹⁹ | number | cumulative | 0 | | | | | 200 | 200 | | Project documents |
| Output | Number of SMEs participating in promotion events ²⁰ | number | cumulative | 0 | | | | | 130 | 130 | | Project documents |

¹⁹ 60 artisans will participate to each of the 2 Expo artisan national shows. In addition, 15 artisans will participate to each of the 10 festivals. Supposing that 25% of artisans will participate to both of these types of events, the total number of artisans benefitting from these events is 200.

²⁰ 10 SMEs will participate to each of the 5 international shows. 30 SMEs will participate to each of the 2 Expo Artisans national shows. 10 SMEs will participate to each of the 6 marketing trips. Supposing that 25% will benefit from the three types of events, the number of SMEs that will benefit from these events is 130.

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets |
|-------------------------------|--|---------------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|----------------------------------|
| Activity 3: Fez Medina | | | | | | | | | | | | |
| Outcome | Number of tourists visiting Fez | number | Level | 341 076 | | | | | | 391 998 | 2005 | ERR |
| Outcome | Average length of stay in hotels of Fez | number | Level | 2,20 | | | | | | 2,21 | 2005 | ERR |
| Outcome | Average daily expenditures per tourist | US Dollars | Level | 165 | | | | | | 167 | 2005 | ERR |
| Output | Number of sites being constructed/rehabilitated (Fez Medina) | number | Cumulative | 0 | | | | | 5 | 5 | 2008 | PV de réception, provisoire |
| Process | Artisans benefitting from Ain Nokbi construction | Number | level | 0 | | | | | 1283 | 1283 | 2008 | Calculation of M&E |
| Process | Value of signed construction and rehabilitation works contracts | Millions US Dollars | cumulative | 0 | - | - | - | 27.8 | 27.8 | 27.8 | | Project documents |
| Process | Value disbursed of construction and rehabilitation works contracts | Millions US Dollars | cumulative | 0 | | | | 20 | 27.8 | 27.8 | | Project documents |

ANNEX II. 4: BASELINE AND TARGETS FOR FUNCTIONAL LITERACY AND VOCATIONAL TRAINING ACTIVITY

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets | |
|--|---|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|----------------------------------|---|
| Sub activity 1: Functional Literacy | | | | | | | | | | | | | |
| Goal | Annual income of functional literacy beneficiaries | US Dollars | Level | 1 426 | | | | | | | TBD | 2011 | Targets will be defined in collaboration with the economists on the team. La valeur à l'année 05 sera calculée dans le cadre de l'évaluation finale de cette sous-activité. |
| Outcome | Graduates of MCC-supported Functional Literacy program. | number | Cumulative | 0 | | | | 5 936 | 41 491 | 41 491 | | | Project reports and calculating on the basis of a completion rate of 75 % and a success rate of 80 % |
| Output | Students participating in the MCC-supported functional literacy program . | number | Cumulative | 0 | | 9 893 | 34 713 | 69 152 | 69 731 | 69 000 | | | Project documents |
| Output | Instructors trained for Functional Literacy | number | Cumulative | 0 | | 54 | 224 | 2150 | 2 400 | 2 400 | | | Project documents |
| Process | Value of signed | US | Cumulative | 0 | | 308 | 308 | 308 | 308 | 308 | | | Project documents |

| | | | | | | | | | | | | |
|---------|--|-------------|-------------|---|--|-----|---------|---------|---------|---------|--|-------------------|
| s | educational facility equipping contracts (Functional Literacy) | Dollar s | ve | | | 846 | 846 | 846 | 846 | 846 | | |
| Process | Value disbursed of equipping contracts (Functional Literacy) | US Dollar s | Cumulati ve | 0 | | | 276 535 | 308 846 | 308 846 | 308 846 | | Project documents |

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets |
|--|---|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|--------------------------------------|
| Sub activity 2: Vocational training | | | | | | | | | | | | |
| Goal | Annual income of vocational training beneficiaries (residential & apprenticeship) | US \$ | Level | 317 | | | | | | TBD | 2011 | Contrats ME-1 C and own calculation. |
| Goal | Annual income of Continuing training beneficiaries | US \$ | Level | 2 599 | | | | TBD | TBD | TBD | 2011 | Contrats ME-1 C and own calculation. |
| Outcome | Employed graduates of MCC-supported education activities/residential vocational training | Number | Cumulative | 0 | | | | 749 | 1070 | 1 070 | | Project reports and own calculation. |
| Outcome | Employed graduates of MCC-supported education activities apprenticeship vocational training | Number | Cumulative | 0 | | | | 1843 | 3306 | 3 306 | | Project reports and own calculation. |
| Outcome | Graduates of MCC-supported vocational training program (residential and | Number | Cumulative | 0 | | | | 483 | 1173 | 1794 | | Project reports and own calculation |

| | | | | | | | | | | | | |
|---------|--|------------|------------|----|--|--|-----------|-----------|-----------|-----------|------|--|
| | apprenticeship) | | | | | | | | | | | |
| Output | Students enrolled in MCC-supported residential and apprenticeship programs | number | Cumulative | 0 | | | 3 745 | 8 700 | 8 700 | 8 700 | | Project reports and own calculation |
| Output | Instructors trained for residential and apprenticeship | number | Cumulative | 0 | | | | 196 | 196 | 196 | | Project reports and own calculation |
| Outcome | Drop-out rates of participants of residential programs. | Percentage | Level | 52 | | | | 40 | 40 | 40 | 2007 | statistique du ministère de l'Artisanat |
| Outcome | Drop-out rates of participants of apprenticeship programs. | Percentage | Level | 40 | | | | 30 | 30 | 30 | 2007 | statistique du ministère de l'Artisanat |
| Outcome | Drop-out rates of participants of residential & apprenticeship programs. | Percentage | Level | 43 | | | | 33 | 33 | 33 | 2007 | Prorate des effectifs cibles par mode de formation |
| Output | Artisans participating in the MCC-supported continuing education program | number | Cumulative | 0 | | | 7265 | 10176 | 14250 | 14250 | | Project reports and own calculation |
| Process | Value of signed educational facility equipping contracts | US Dollars | Cumulative | 0 | | | 1 082 505 | 4 182 675 | 4 182 675 | 4 182 675 | | Project documents |

| | | | | | | | | | | | | |
|---------|---|------------|------------|---|--|--|---------|---------|-----------|-----------|--|-------------------|
| | (Vocational Training) | | | | | | | | | | | |
| Process | Value disbursed of construction, rehabilitation and equipping contracts (Vocational Training) | US Dollars | Cumulative | 0 | | | 150 331 | 830 472 | 4 182 674 | 4 182 674 | | Project documents |

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year | Source or calculation of targets |
|---|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|---|
| Sub activity 3: Competitive Skills Development Program | | | | | | | | | | | | |
| Goal | Annual income of Competitive Skills Development Program beneficiaries | US \$ | level | 1 118 | | | | TBD | TBD | TBD | 2011 | Contrats (ME-1 E, ME-1 C & ME-1 B) and own calculation. Pour les cibles, se référer à l'analyse ERR, approuvée. Pour les valeurs réelle, se référer aux résultats de l'évaluation ex-post |
| Outcome | Number of recipients of the Competitive Skills Development Program who receive a certificate of completion | Number | Level | 0 | | | | 3 405 | 7 583 | 7 583 | | Project reports and own calculation |

ANNEX II. 5: BASELINE AND TARGETS FOR FINANCIAL SERVICES

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|-----------------|--|-----------------|--------------------------|----------|-----------|---------|---------|---------|---------|-----------------------|---------------|
| Goal | Number of active microfinance clients | number | Cumulative | 795 860 | 1 161 447 | 872 412 | 795 860 | 877 436 | 967 373 | 967 373 | 2011 |
| Goal | Outstanding portfolio of the microfinance sector | Billion DHS | Cumulative | 4,7 | 5,0 | 4,8 | 4,7 | 5,1 | 5,7 | 5,7 | 2011 |

A. Access to Funds for Microfinance

| | | | | | | | | | | | |
|---------|--|--------------------|------------|-----|-----|------|-------|-------|-------|-------|------|
| Outcome | Value of loan agreements between Micro credit associations and Jaida | Million DHS | Cumulative | 276 | 384 | 238 | 439 | 733 | 983 | 983 | 2008 |
| Output | Number of loan officers trained on social and environmental norms | Number | level | 0 | 0 | 0 | 1 000 | 3 000 | 3 000 | 3 000 | |
| Output | Value of loan disbursements to Jaida | US million Dollars | Cumulative | 0 | 6.4 | 18.7 | 18.7 | 25 | 25 | 25 | |

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|--|---|-----------------|--------------------------|----------|--------|--------|--------|-----------------------------|----------------------|-----------------------|---------------|
| B. New Financial Product Development | | | | | | | | | | | |
| Output | Number of AMCs with a grant from the TA/Transformation Fund | number | level | | | | | 12 | 12 | 12 | |
| Process | Percent disbursed of the transformation technical assistance fund | Percent | Cumulative | | | | | 20 | 100 | 100 | |
| C. Improvement of Operating Efficiency and Transparency | | | | | | | | | | | |
| Outcome | Financial self sufficiency ratio | Percentage | level | 99 | | 94 | 99 | 104 | 109 | 109 | 2011 |
| Outcome | Portfolio at risk 30 days | Percentage | level | 6,00 | 10,56 | 8,25 | 6,0 | 5 | 4,50 | 4,50 | 2011 |
| Outcome | Value of loans granted through mobile branches | Million USD | Cumulative | 0 | 0 | 0 | 0 | (75 M MAD/ 4 Q) = 18.75/8,5 | 330 M MAD/8,5 = 38.8 | 38.8 | |

| | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|-------|--|--|--|
| | | | | | | | | | = 2.2 | | | |
|--|--|--|--|--|--|--|--|--|-------|--|--|--|

| Indicator Level | Indicator Name | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|-----------------|---|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|
| Outcome | Number of mobile branches clients | number | Cumulative | 0 | 0 | 0 | 0 | 12 500 | 55 000 | 55 000 | |
| Outcome | Proportion of AMCs who report to the credit bureau | Percentage | level | 0 | 17 | 30 | 60 | 100 | 100 | 100 | |
| Outcome | Proportion of AMCs who request information to the credit bureau | Percentage | level | 0 | 0 | 0 | 0 | 100 | 100 | 100 | |
| Output | Number of mobile branches acquired | Number | Cumulative | 0 | 0 | 0 | 0 | 50 | 150 | 150 | |
| Output | Number of financial ratings carried out | Number | level | 0 | 0 | 2 | 4 | 6 | 8 | 8 | |
| Output | Number of social ratings carried out | Number | level | 0 | 0 | 1 | 3 | 5 | 7 | 7 | |
| Output | Number of AMCs with a grant from the Technology Facility | Number | level | 0 | 0 | 0 | 4 | 11 | 11 | 11 | |

ANNEX II.6: BASELINE AND TARGER FOR ENTERPRISE SUPPORT PROJECT

| Indicator Level | Goal: | Unit of Measure | Indicator Classification | Baseline ²¹ | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|-----------------|---|-----------------|--------------------------|------------------------|--------|--------|--------|--------|--------|-----------------------|---------------|
| Goal | % Reduction in SME mortality (treatment firms with respect to control firms) one year after support completion | % | Level | 0 | | | | | 20% | 20% | 200 |
| Goal | % increase in SME value added (treatment firms with respect to control group) one year after support completion | % | Level | 0 | | | | | 5% | 5% | 200 |
| Goas | % increase in AGR value added (treatment firms with respect to control group) one year after support completion | % | Level | 0 | | | | | 5% | 5% | 200 |

²¹ Value Added as percent of sales = 30%

Outcome Indicators and Targets

| Indicator Level | Outcome | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|-----------------|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|
| Outcome | % increase in annual sales of enterprises of treatment firms with respect to control group one year after support completion | % | Level | 0 | | | | | 5% | 5% | 2009 |
| Outcome | % increase in annual sales of AGR of treatment firms with respect to control group one year after support completion | % | Level | 0 | | | | | 5% | 5% | 2009 |

Output Indicators and Targets

| Indicator Level | Output | Unit of Measure | Indicator Classification | Baseline | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | End of Compact Target | Baseline year |
|-----------------|--|-----------------|--------------------------|----------|--------|--------|--------|--------|--------|-----------------------|---------------|
| Output | Number of entrepreneurs (OFPPT & ANPME) that benefitted from the project training and technical assistance | Number | Level | 0 | 400 | 400 | | | | 400 | 2009 |
| Output | Number of AGRs (INDH) that benefitted from the project training and technical assistance | Number | Level | 0 | 200 | 200 | | | | 200 | 2009 |
| Output | Number of Government officers trained by the project from the three implementing entities | Number | Level | 0 | | 189 | 473 | | | 473 | 2009 |
| Output | Number of regional offices (ANPME & OFPPT) and DAS (INDH) equipped with IT | Number | Level | 0 | | | 150 | | | 150 | 2009 |

