Project Progress Report

For the MENA Transition Fund

ANNEX II TO THE MAIN REPORT

(Morocco, Tunisia and Yemen)

As of June 30, 2015
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Morocco Projects
Regional Affordable Housing Project: Morocco Activities

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: MENA Regional Affordable Housing Project – Morocco activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Morocco</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies): World Bank, Arab Monetary Fund</td>
</tr>
<tr>
<td>Name of ISA Project Leader: Fadwa Bennani (WB) Yisr Barnieh (AMF)/ Hafid Oubrik (AMF)</td>
</tr>
<tr>
<td>Email of ISA Project Leader: <a href="mailto:fbennani@worldbank.org">fbennani@worldbank.org</a>, <a href="mailto:financialmarkets@amfad.org.ae">financialmarkets@amfad.org.ae</a></td>
</tr>
<tr>
<td>Recipient Entity: Ministry of Economy and Finance, Ministry of Housing and City Policy</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact: Nouaman Alaissami; <a href="mailto:n.alaissami@tresor.finances.gov.ma">n.alaissami@tresor.finances.gov.ma</a> (Ministry of Finance) Nind Benzha; <a href="mailto:benzha@mhupv.gov.ma">benzha@mhupv.gov.ma</a> (Ministry of Housing and City Policy)</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 2,110,460</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):-</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$): 634,257</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 12/5/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date: 1/1/2014</td>
</tr>
<tr>
<td>Project Closing Date: 1/31/2017</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
</tr>
<tr>
<td>Primary Pillar: Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s): Enhancing Economic Governance Inclusive Development and Job Creation Competitiveness and Integration</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The objective of the proposed project is to support the Government of Morocco in designing reforms of programs and policies to promote access to affordable housing for the low to middle income households.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:
The prospects of achieving the PDO remain good with most activities having been launched at this stage of the project and being implemented. Highlights in project implementation include: progress in the implementation of a technical assistance for strengthening the housing credit Guarantee scheme; progress in the implementation of a knowledge exchange program between the French and Moroccan guarantee funds in the area of onsite supervision of guaranteed bank loan portfolio; finalization of the award for the study to undertake an evaluation of government housing programs and related subsidies; progress in the implementation of the study on supply and demand analysis of housing; progress in the implementation of an analytical piece on land issues for housing and best practice approaches and tools for land –based financing. Delivery of a benchmarking study of best practices for affordable rental policy and organization of international seminar on international experiences for affordable rental policy; progress in the design of a national program for housing finance education for low income households.
## C. Implementation Status of Components

### Component 1: Scaling up the Supply of Affordable Housing (WB)

<table>
<thead>
<tr>
<th>Previous Rating: Moderately Satisfactory</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 0.85 million</th>
</tr>
</thead>
</table>

**Sub-component 1.1: Evaluation of Government Housing Programs**

**Status of Implementation:** The terms of reference of the evaluation of subsidies towards the housing programs were prepared and finalized, an expression of interest was launched and a selection of firm is being completed. The terms of reference of a study of supply and demand analysis of housing have been completed and implementation is ongoing (interim report delivered and discussed with project stakeholders). Work has also been launched on analysis of land bottlenecks for housing and for the provision of best practices for land based financing.

### Component 2: Expanding Access to Affordable Housing Finance (WB)

<table>
<thead>
<tr>
<th>Previous Rating: Satisfactory</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 0.95 million</th>
</tr>
</thead>
</table>

**Sub-component 2.1: Reform of the mortgage Guarantee Fund for low income households (Damane Assakane)**

**Status of Implementation:** Technical assistance for reform of the mortgage guarantee. Procurement of the external TA provider has been completed, implementation started and various interim reports have been delivered (the TA supports guarantee product review; strengthening the fund’s risk management capability, capital and actuarial premium setting; strengthening institutional and governance framework of the funds). Technical assistance to support a control function for the guarantee fund has also been launched working with the French Guarantee Fund SGFGAS as part of a knowledge exchange program between France and Morocco. The objective of this activity is to strengthen the fund’s capacity to conduct an effective oversight function over the banks that are covered through the credit guarantee mechanism, and as such strengthen the risk management of its portfolio.

At the initiative of the Ministry of Finance a workshop has been organized on October 14, 2014 (i) to inform all stakeholders about mortgage guarantee fund upcoming reforms, (ii) to initiate consultations with the fund users on such reforms, (iii) to provide an opportunity to present relevant foreign experiences from similar funds internationally; and (iv) to raise awareness about benefits and optimal approaches to financial education in the context of low income housing finance. The workshop was extremely well attended with over 60 participants among senior management and staff of Ministry of Finance, Ministry of Housing, banks, microfinance institutions, Central Bank, Housing developers. The event received wide national TV and written press coverage.

**Sub-component 2.2: Strengthening the Lending Environment for Affordable Housing**

**Status of Implementation:** The “mortgage education” activity was initiated with a scoping note prepared and discussed with the Moroccan Foundation for Financial Education (FMEF), the Central Bank and other relevant
stakeholders in the context of a short workshop. Currently the team is working with various stakeholders on a roll-out plan of the activity, namely focusing on identifying partners and trainers.

**Component 3: Affordable Housing and Housing Finance Capacity Building and Knowledge Sharing (AMF)**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>0.2 million</td>
</tr>
</tbody>
</table>

**Sub-component 3.1: Strengthening technical capacity in affordable housing sector**

**Status of Implementation:** The terms of reference of the regional housing finance training in partnership with the Wharton School together with an agenda and a financial plan were prepared. The AMF team is in the process of identifying a country/university in the region to host the course.

**Sub-component 3.2: Affordable Housing and Housing Finance Capacity Building and Knowledge Sharing**

Status of Implementation:

Online affordable housing finance knowledge platform and resource center for the MENA region. The existing Hofinet platform will be supported to develop and maintain a regional MENA section of the portal that will show comparative data on the sector, relevant studies, laws, news and will maintain a blog for regional discussions and knowledge exchange. Initial terms of reference for this activity were prepared.

**D. Disbursements of Transition Fund Funds for Direct Project Activities**

<table>
<thead>
<tr>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a):</td>
<td>AMF: 200,000</td>
<td>AMF: 200,000</td>
</tr>
<tr>
<td></td>
<td>WB: 1,800,000</td>
<td>WB: 1,800,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>AMF: 200,000</td>
<td>AMF: 200,000</td>
</tr>
<tr>
<td></td>
<td>WB: 1,800,000</td>
<td>WB: 1,800,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>AMF: 21,432</td>
<td>AMF: 21,432</td>
</tr>
<tr>
<td></td>
<td>WB: 529,870</td>
<td>WB: 529,870</td>
</tr>
</tbody>
</table>

**E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>AMF: 0</td>
<td>AMF: 0</td>
<td>AMF: 0</td>
</tr>
<tr>
<td></td>
<td>WB: 105,657</td>
<td>WB: 142,137</td>
<td>WB: 247,795</td>
</tr>
<tr>
<td>2015</td>
<td>AMF: 21,432</td>
<td>AMF: 40,000</td>
<td>AMF: 61,432</td>
</tr>
<tr>
<td>2016</td>
<td>AMF: 40,000</td>
<td>AMF: 18,568</td>
<td>AMF: 58,568</td>
</tr>
<tr>
<td>2017</td>
<td>AMF: 40,000</td>
<td>AMF: 40,000</td>
<td>AMF: 80,000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**F. Disbursements of Funds for Indirect Costs (US$)**

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF: 2,495</td>
<td>AMF: 27,505</td>
<td>AMF: 30,000</td>
</tr>
<tr>
<td>WB: 80,460</td>
<td>WB: 0</td>
<td>WB: 80,460</td>
</tr>
</tbody>
</table>
## G. Results Framework and Monitoring

**Project Development Objective (PDO):** The objective of the proposed project is to support the Government of Morocco in designing reforms of programs and policies to promote access to affordable housing for the low to middle income households.

The objective will be achieved by supporting the Government in (i) the evaluation of their existing programs for affordable housing, (ii) designing the key policies that will be catalytic and transformational in improving the supply of affordable housing and the availability of affordable housing finance, and (iii) cross-regional knowledge sharing and expertise strengthening in the area of affordable housing and housing finance.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Base line</th>
<th>Cumulative Target Values**</th>
<th>Frequenc y</th>
<th>Data Source/ Methodology</th>
<th>Responsi bility for Data Collectio n</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1</td>
<td>Number of recommendati ons endorsed by key stakeholders that feed into housing policy and program formulation</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td>Bi-annually</td>
<td>Endorsement as reported by the Ministry of Housing and the Ministry of Economy and Finance. World Bank Policies and programs may include Government strategy, policy guidance, laws and regulations, decrees, donor sponsored Government operations. Note: studies ongoing</td>
</tr>
<tr>
<td><strong>Indicator 2</strong></td>
<td>Number of recommendations endorsed by key stakeholders that feed into improvements in the policy and legal frameworks as well as the efficiency of the rental market.</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Bi-annually</td>
<td>Endorsement as reported by the Ministry of Housing.</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>-------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td><strong>Indicator 3</strong></td>
<td>Number of recommendations endorsed by key stakeholders that feed into policy and programs for improved access to housing finance by the low income population.</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Bi-annually</td>
<td>Endorsement as reported by the Central Bank, the Central Guarantee Fund and the Ministry of Finance.</td>
</tr>
</tbody>
</table>
| **Indicator 4** | No. of participants in workshops or trainings | 0 | 62 | 20 (A;122) | 30 | Bi-annually | Training, conferences and workshops reports and beneficiary surveys. | Arab Monetary Fund | October 14, 2014 mortgage guarantee fund and mortgage financial education seminar / knowledge sharing between French and Moroccan guarantee funds. Wharton training of 2 Ministry of Finance officials/
## Intermediate Results

### Intermediate Result (Component One): Scaling-up the supply of affordable housing.

Sub-component 1.1: Evaluation of Government Housing Policy and Programs.

Sub-component 1.2: Stimulating the Rental Housing Market.

<table>
<thead>
<tr>
<th>Intermediate Result indicator: Evaluations of social housing programs and subsidy allocation and new policy development.</th>
<th># of reports completed</th>
<th>1</th>
<th>2</th>
<th>2</th>
<th>Bi-annually</th>
<th>Reports and studies produced.</th>
<th>World Bank</th>
<th>Note: Report preparation ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td># of reports completed</td>
<td>0</td>
<td>3 (A:1)</td>
<td>4</td>
<td>Bi-annually</td>
<td>Reports and studies produced.</td>
<td>World Bank</td>
<td>Note: Report preparation ongoing</td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Result (Component Two): Expanding access to affordable housing finance.

Sub-component 2.1: Reform of the Guarantee Fund.

Sub-component 2.2: Strengthening the Lending Environment.

<table>
<thead>
<tr>
<th>Intermediate Result indicator: Technical diagnostics reports for the guarantee fund, development of risk assessment systems, and plan of action of institutional reform.</th>
<th># of reports completed</th>
<th>2</th>
<th>3 (A:2)</th>
<th>4</th>
<th>Bi-annually</th>
<th>Reports and studies produced.</th>
<th>World Bank</th>
<th>2 technical reports for the guarantee fund have been prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td># of reports completed</td>
<td>2</td>
<td>3 (A:2)</td>
<td>4</td>
<td>Bi-annually</td>
<td>Reports and studies produced.</td>
<td>World Bank</td>
<td>2 technical reports for the guarantee fund have been prepared</td>
<td></td>
</tr>
<tr>
<td>Intermediate Result indicator: Action plan to improve prudent lending practices, training modules and regulatory setting.</td>
<td># of reports completed</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>Bi-annually</td>
<td>Reports and studies produced.</td>
<td>World Bank</td>
<td>Activities ongoing</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
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<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Three): Affordable housing and housing finance capacity building and knowledge sharing.**
Sub-component 3.1: Building Technical Capacity in Affordable Housing Sector.

Sub-component 3.2: MENA regional integration and knowledge sharing.

<table>
<thead>
<tr>
<th>Intermediate Result indicator: Workshops and trainings undertaken on affordable housing finance and policy.</th>
<th># events</th>
<th>0</th>
<th>3 (A)</th>
<th>4 (A)</th>
<th>6</th>
<th>Annually</th>
<th>Training, conference and workshop participant surveys</th>
<th>Arab Monetary Fund</th>
<th>Note: Four events have been undertaken to date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Training of two Ministry of Finance officials in Wharton USA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Knowledge exchange between French and Moroccan mortgage guarantee fund</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-Event around Guarantee Fund reform and best practices and mortgage</td>
<td></td>
</tr>
</tbody>
</table>
**Intermediate Result indicator:** Content on an e-platform to consolidate housing data, information.

<table>
<thead>
<tr>
<th>Percentage of progress</th>
<th>0%</th>
<th>50%</th>
<th>100%</th>
<th>Annually</th>
<th>Progress report</th>
<th>Arab Monetary Fund</th>
</tr>
</thead>
</table>
### A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>LOGISMED soft project – Regional project – Activities in Morocco</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name</td>
<td>Morocco</td>
</tr>
<tr>
<td>Name of ISA Project Leader</td>
<td>Pasquale Staffini</td>
</tr>
<tr>
<td>Project Leader Email</td>
<td><a href="mailto:p.staffini@eib.org">p.staffini@eib.org</a></td>
</tr>
<tr>
<td>Recipient Entity</td>
<td>Agence Marocaine de Développement de la Logistique / Ministère des Transports</td>
</tr>
<tr>
<td>Email of Recipient Entity Contact</td>
<td>Younes TAZI <a href="mailto:tazi@mtpnet.gov.ma">tazi@mtpnet.gov.ma</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$)</td>
<td>1,565,403.00</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$)</td>
<td>EUR 3 m from the European Commission for 5 countries including Morocco (Agreement finalized between EC and EIB in November 2013)</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$)</td>
<td>191,975</td>
</tr>
<tr>
<td>Steering Committee Approval Date</td>
<td>2/20/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date</td>
<td>7/31/2013</td>
</tr>
<tr>
<td>Project Closing Date</td>
<td>12/11/2018</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
<td>Primary Pillar: Competitiveness and Integration: Logistics</td>
</tr>
<tr>
<td></td>
<td>Secondary Pillar(s): Investing in Sustainable growth Inclusive Development and Job Creation Enhancing economic governance</td>
</tr>
</tbody>
</table>

### B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The objective of LOGISMED is to support the enhancement of logistic platform capacities in Egypt, Morocco and Tunisia as well as the creation of a collaborative network between these logistic platforms in order to improve country capacities and to attract foreign investments, affecting directly country and citizens development.

**Rating for progress towards achievement of objective:** Moderately Unsatisfactory

**Rating for overall implementation progress:** Moderately Unsatisfactory

**Brief Summary of Project Implementation Status:**

Logismed has two components: (i) Logismed Hard and (ii) Logismed Soft. The overall objective of Logismed Hard is to promote through technical assistance such as feasibility studies the establishment of logistics platforms in the Mediterranean region. For Logismed Soft, the general objectives are: (i) to facilitate the coordination/cooperation between the different players in the logistics sector of the Mediterranean region, (ii) to enhance training within the various professional disciplines in the logistics sector and (iii) to establish observatories to conduct sector performance analyses and produce corresponding indicators. In 2013, Logismed Soft was labelled and launched by the Secretariat of the Union for the Mediterranean (UfM).

In order to implement Logismed Soft, funds have been secured from the MENA Transition Fund and the European Commission.

In June 2014, EIB signed a service contract with the CETMO (Centre d’Études des Transports pour la Méditerranée Occidentale) for the day to day management and implementation of large parts of these activities. CETMO’s team for Logismed Soft will be led by Mr. Saki Aciman Behar as project director (chef de la mission) and Mr. Alberto Palacios Cobeta as technical team leader (responsable technique).
As a result, a draft Cooperation Agreement (CA) was shared by EIB with the Euromed National Coordinators on 2 June 2014. The CA regulates the cooperation between the Bank and a Promoter for the implementation of a technical assistance (TA) project. Promoters need to sign a CA with the Bank before concrete TA action can start in their respective country. For the inception phase of the project, CETMO had prepared an implementation plan, which was attached to the last progress report. This plan included a number of critical path items, which are essential to address rapidly in order to remain within the overall timeframe of the project. This includes for example the updating of the training needs assessment and the preparation of detailed terms of reference for the training activities to be carried out by specialized consultants that still need to be procured. Until November 2014 – despite efforts by EIB, including emails and visits to discuss the matter – the negotiation of the CA between EIB and Morocco had not advanced and the CA remained unsigned. This prevented CETMO from advancing on key critical tasks, which require country visits, including the establishment of contacts with key players in the country and the preparation of detailed terms of reference for the training activities. In order to achieve a breakthrough towards the signing of the CA, EIB arranged another mission to Morocco in the first half of December 2014 to negotiate the CA with key authorities concerned, including the Ministry of Economy and Finance, the Ministry of Transport and Logistics and the Moroccan logistics agency AMDL. Following these negotiations, EIB hopes that the CA can be signed in July 2015. A kick-off mission to Morocco could then be foreseen for September/October 2015.

C. Implementation Status of Components

Component 1: LOGISMED Coordination

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Unsatisfactory</td>
<td>Unsatisfactory</td>
<td>314,387</td>
</tr>
</tbody>
</table>

Sub-component 1.1: Promotion of LOGISMED project

Status of Implementation: Terms of Reference for this component prepared and contract signed with CETMO. This sub-component was foreseen to be launched in July 2014, but the signature of the CA is needed to start implementing it. First activity to be carried out, once CA signed, is a visit to Morocco, in order to meet relevant authorities charged of logistics development and to look into the progress of logistics development strategy. Hopefully this mission could be done in September/October 2015.

Sub-component 1.2: Definition of LOGISMED platform network

Status of Implementation: Terms of Reference for this component prepared and contract signed with CETMO. This sub-component was foreseen to be launched in July 2014, but the signature of the CA is needed to start implementing it. At this moment a proposal of the expected content of the report that should define the characteristics and services of the platforms of the network and also the configuration of the network has been elaborated. Foreseen finalization data of this report is November 2015.

Immediate activities for Component 1 include:
- List of Logistics platforms candidates to be incorporated into Logismed network and therefore receive training. EIB is currently supporting the AMDL in the preparation of feasibility studies for a range of logistics zones in Morocco, the flagship project of which is the multi-flow logistics zone of Zenata/Casablanca. The feasibility study for the latter zone is under finalisation. The Zenata logistics zone is considered a key candidate for the Logismed network.
- Identification of needs of each of the logistics platforms selected.

Component 2: LOGISMED Training Activities

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>491,660</td>
</tr>
</tbody>
</table>

Sub-component 2.1: LOGISMED Country Training Activities

Status of Implementation: Terms of reference for the monitoring of this component prepared and contract signed with CETMO. CETMO will be in charge of the preparation of the terms of reference and will participate in the selection of the Training in logistics consultant group in cooperation with EIB that will be in charge of the implementation of this component.
The ToR for the training consultant to be financed out of the EC grant have now been prepared and agreed with the five countries concerned, and the tendering is about to start. The intention is to have contracted the training consultant by end 2015. The idea is to use the Deauville funds for a second wave of training, once the first wave has sufficiently advanced and lessons learned from that are available.

### Sub-component 2.2: LOGISMED Platform Training Activities

**Status of Implementation:** Terms of reference for the monitoring of this component prepared and contract signed with CETMO. This activity will be part of the work of the training consultant to be hired as described under sub-component 2.1. Future implementation of this sub-component is related to the selection of the logistics platform candidate to receive training (Subcomponent 1.2).

### Component 3: LOGISMED Observatory

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Unsatisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>617,047</td>
</tr>
</tbody>
</table>

#### Sub-component 3.1: Action Plan for LOGISMED Observatory

**Status of Implementation:** Terms of Reference for this component prepared and contract signed with CETMO. This sub-component was foreseen to be launched in July 2014, but the signature of the CA is needed to start implementing it. Nevertheless, due to the delay in the CA signature, a draft of the Action Plan has been prepared in a regional approach. Adaptations to this draft in order to include Moroccan specific needs will be incorporated after CA signature and specific work with country's authorities could be launched.

#### Sub-component 3.2: Observe and analyze regional developments

**Status of Implementation:** Terms of Reference for this component prepared and contract signed with CETMO. This sub-component was foreseen to be launched in July 2014, but the signature of the CA is needed to start implementing it. However, a first proposal of thematic areas and indicators of the regional Observatory has been designed. This proposal will be adapted in order to include country requests and to harmonize with statistics data existing or able to be produced in the country. The signature of the CA is needed to carry on this work.

#### Sub-component 3.3: Promoting the emergence of national observatories of logistics and transports

**Status of Implementation:** Terms of Reference for this component prepared and contract signed with CETMO. This sub-component was foreseen to be launched in July 2014, but the signature of the CA is needed to start implementing it.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a): 0</td>
<td>1,423,094</td>
<td>1,423,094</td>
</tr>
<tr>
<td>Amount Received from Trustee (b): 0</td>
<td>1,423,094</td>
<td>1,423,094</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c): 0</td>
<td>49,666</td>
<td>49,666</td>
</tr>
</tbody>
</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>26,000</td>
<td>26,000</td>
</tr>
<tr>
<td>2015</td>
<td>32,500</td>
<td>230,357</td>
<td>262,857</td>
</tr>
<tr>
<td>2016</td>
<td>232,237</td>
<td>218,547</td>
<td>450,784</td>
</tr>
<tr>
<td>2017</td>
<td>243,860</td>
<td>241,590</td>
<td>485,450</td>
</tr>
<tr>
<td>2018</td>
<td>198,003</td>
<td></td>
<td>198,003</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>1,423,094</td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>142,309</td>
<td>0</td>
<td>142,309</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

**Project Development Objective (PDO): To support the enhancement of platform capacities as well as the creation of a collaborative network between these platforms.**

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> Logistics Performance Index (LPI)</td>
<td>unit</td>
<td>3.03</td>
<td>n/a</td>
<td>n/a</td>
<td>3.4</td>
<td>Each 2 years</td>
<td>WB LPI report</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Labour force employed by the transport and logistics sector</td>
<td>%</td>
<td>4.64</td>
<td>4.6 (4T 2013)</td>
<td>n/a 2014 data not yet available</td>
<td>4.73</td>
<td>4.80</td>
<td>4.95</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Tones and value of the intra-Mediterranean external trade</td>
<td>Million s tones</td>
<td>3.8 (2008 data)</td>
<td>4.9 (2013)</td>
<td>n/a 2014 data not yet available</td>
<td>4.5</td>
<td>4.9</td>
<td>5.5</td>
</tr>
</tbody>
</table>
## Intermediate Result:

**Component 1: LOGISMED coordination**

SCI.1: Promotion of the LOGISMED project

SCI.2: Definition of the LOGISMED platform network

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Number of platforms that study the opportunity to be part of the LOGISMED network</td>
<td># platforms</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> Number of platform infrastructures promoted by the national authorities</td>
<td># platforms</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
## Intermediate Result:

**Component II: LOGISMED Training Activities**

**SCI.1: LOGISMED country Training Activities**

**SCI.2: LOGISMED platform Training Activities**

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Number of national logistics associations in place</td>
<td># assoc.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> Number of people participating in training (general public)</td>
<td># persons</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Three:</strong> Number of platform workers trained</td>
<td># workers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>150</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>
**Intermediate Result (Component Three):**

Component III: LOGISMED Observatory

SCIll.1: Action Plan for the LOGISMED Observatory

SCIll.2: Observe and analyze the region developments in logistic & transport

SCIll.3: Promotion the emergence of national observatories of logistics & transports

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator One: Number of quality indicators in the database</td>
<td># records</td>
<td>0</td>
<td>0 0 8 12 20</td>
<td>Once per year</td>
<td>LOGISMED database</td>
<td>Consortium leader</td>
<td>Number of quality indicators in the database describing the evolution of the transport and logistics sector</td>
</tr>
<tr>
<td>Intermediate Result indicator Two: Number of national observatories in place or in progress to be set up</td>
<td># observ.</td>
<td>0</td>
<td>0 0 1 2 2</td>
<td>Once per year</td>
<td>Ministry of transport</td>
<td>Consortium leader</td>
<td>The continuity of the project depends on the country capacity to generate the statistics and indicators to analyse themselves their transport and logistics system.</td>
</tr>
</tbody>
</table>
## Promoting Financial Inclusion via Mobile Financial Services: Morocco Activities

### A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Promoting financial inclusion via mobile financial services in the Southern and Eastern Mediterranean countries – activities in Morocco</th>
<th>Name of Implementation Support Agency(ies): European Investment Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Morocco</td>
<td>Name of ISA Project Leader: Timothy Winters</td>
</tr>
<tr>
<td>Name of ISA Project Leader: Timothy Winters</td>
<td>Email of ISA Project Leader: <a href="mailto:t.winters@eib.org">t.winters@eib.org</a></td>
</tr>
<tr>
<td>Recipient Entity: Bank Al Maghrib (Central Bank of Morocco)</td>
<td>Name and Email of Recipient Entity Contact: Lhassane BENHALIMA, <a href="mailto:h.benalhima@bkam.ma">h.benalhima@bkam.ma</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): USD 392,000</td>
<td>Additional Funds Leveraged and Source(s), if any (US$): USD 60,000 – co-financing support in kind expected from Bank Al Maghrib USD 32,000 (EUR 28,000) – commitment from Union for the Mediterranean for UfM labelled project (total commitment, covering Jordan and Morocco, of 2 working sessions at EUR 28,000 each)</td>
</tr>
<tr>
<td>(originally USD 677,000; updated as informed to Transition Fund by Moroccan Ministry of Finance in February 2015)</td>
<td>Total Amount Disbursed (Direct and Indirect in US$): USD 42,000</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 12/05/2013</td>
<td>Project Implementation Start Date: 02/27/2015</td>
</tr>
<tr>
<td>Project Closing Date: 07/31/2015</td>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
</tr>
<tr>
<td>Primary Pillar (select only one):</td>
<td>Secondary Pillar(s) (select as many as applicable):</td>
</tr>
<tr>
<td>Enhancing Economic Governance</td>
<td>Investing in Sustainable Growth Inclusive Development and Job Creation Competitiveness and Integration</td>
</tr>
</tbody>
</table>

### B. Summary of Project Implementation Progress and Key Issues

| Project Development Objective: | The overall objective of the project is to promote the development of innovative retail payment solutions such as mobile financial services which will support expanded access to finance across Morocco. |
| Rating for progress towards achievement of objective: | Satisfactory |
| Rating for overall implementation progress: | Satisfactory |

**Brief Summary of Project Implementation Status:**

The kick-off meeting between the EIB and the consultants was held in Luxembourg on 27 February 2015, followed by a launch meeting in Morocco at the premises of the Bank Al-Maghrib (BAM) on 9 March. Work is now progressing satisfactorily, as detailed below.

Building on from the October 2014 workshop in Barcelona, a further workshop is being organized at the UfM headquarters at which representatives from four Mediterranean central banks (Morocco, Egypt, Jordan and Tunisia) will be present to discuss the options for implementing mobile financial services through partnerships with, for instance, microfinance institutions.

### C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Capacity building for BAM via an international review of the regulatory framework for mobile financial services in a selection of countries considered relevant and/or international best practices</th>
<th>Previous Rating: not applicable</th>
<th>Current Rating: Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost (US$): USD 210,000 (originally USD 400,000; updated as above)</td>
<td>Status of Implementation: The draft country reports were delivered by EY during June, and are currently being reviewed by the EIB and the BAM. The synthesis report is expected by end-July. Initial discussions have been held with the Direction de la Supervision Bancaire at the BAM, and further discussions are expected to be held during July 2015, in preparation of workshops in Morocco in September.</td>
<td></td>
</tr>
</tbody>
</table>
Component 2: Accompaniment for the BAM in drafting new regulations for the provision of electronic retail payments

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$): USD 105,000 (plus 20,000 in kind participation of BAM) (originally USD 200,000 plus 20,000)</th>
</tr>
</thead>
</table>

Status of Implementation:

The BAM has already begun working on the regulations and the consultant has delivered a report of recommendations to the BAM, which has been discussed extensively in two working meetings between the EIB, the consultants, and different departments of the BAM. Due to delays on the BAM side, the regulations are not expected to be finalized until the end of the year, thus allowing some additional time to adopt the findings of the international benchmarking study. The preparatory meetings for the September workshops as well as those workshops themselves will form a significant component of the activity under this pillar.

Component 3: Knowledge sharing workshop

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$): USD 35,000</th>
</tr>
</thead>
</table>

Status of Implementation: This will follow the completion of the main activities of the project.

Component 4: Project Management, Coordination, Monitoring and Evaluation

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$): USD 40,000 (in-kind participation of BAM)</th>
</tr>
</thead>
</table>

Status of Implementation: This activity – which is country executed by the Bank Al Maghrib – in terms of coordinating the project internally is ongoing.

D. Disbursements of Transition Fund Funds for Direct Project Activities (US$)

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>350,000</td>
<td>350,000</td>
<td></td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>0</td>
<td>420,000</td>
<td>420,000*</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>0</td>
<td>USD 110,000 (approximate USD figure; actual disbursement of EUR 99,400, based on according to exchange rate of 6 July 2015)</td>
<td>USD 110,000 (approx.)</td>
</tr>
</tbody>
</table>

* This amount included in Transfer Request sent on 9 January 2015.

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>110,000</td>
<td>240,000</td>
<td>350,000</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
</table>
G. Results Framework and Monitoring

NB: this is the results framework as submitted with the project proposal. No updates have been made, as the project implementation has not yet commenced.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values** Yr 1 Jan-2015-Dec 2015</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One: Increase in access metrics</strong></td>
<td>Number</td>
<td>Awaiting confirmation from BAM</td>
<td>+5%</td>
<td>+10%</td>
<td>+15%</td>
<td>+20%</td>
<td>+25%</td>
</tr>
<tr>
<td><strong>Indicator Two: Infrastructure metrics</strong></td>
<td>Number</td>
<td>Awaiting confirmation from BAM</td>
<td>3%</td>
<td>6%</td>
<td>9%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Indicator Three: Transactions per acceptance infrastructure</strong></td>
<td>Number</td>
<td>Awaiting confirmation from BAM</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Indicator Four: Cost reduction to maintain specific payment product accounts by institution type</strong></td>
<td>Number</td>
<td>Awaiting confirmation from BAM</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>

INTERMEDIATE RESULTS

Intermediate Result (Component One):
### Intermediate Result (Component One):

**Intermediate Result indicator One:** Capacity building for BAM based on an international review of the regulatory framework for mobile financial services in countries considered to be best practices

<table>
<thead>
<tr>
<th>Description</th>
<th>Report</th>
<th>n/a</th>
<th>1</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>Once, six months after project start</th>
<th>Reporting to the EIB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EIB, BAM</td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Result (Component Two):

**Intermediate Result indicator Two:** Regulations to accompany the new legislation should be ready and agreed by both BAM and the Ministry of the Economy and Finance.

<table>
<thead>
<tr>
<th>Description</th>
<th>Report</th>
<th>n/a</th>
<th>1</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>Once, at project completion</th>
<th>Progress report to the EIB</th>
<th>EIB, BAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EIB, BAM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Result (Component Three):

**Intermediate Result indicator Three:** Workshop for information sharing will be completed

<table>
<thead>
<tr>
<th>Description</th>
<th>Report</th>
<th>n/a</th>
<th>1</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>Once, at project completion</th>
<th>A workshop to share the results of the study will have been organized and a report provided to the EIB</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EIB, BAM</td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Result (Component Four):

<table>
<thead>
<tr>
<th>Description</th>
<th>Report</th>
<th>n/a</th>
<th>1</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>Once, at project completion</th>
<th>EIB, BAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>EIB, BAM</td>
<td></td>
</tr>
<tr>
<td><strong>Intermediate Result indicator</strong></td>
<td>Report</td>
<td>n/a</td>
<td>2</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Twice, once halfway through project implementation and once at completion</td>
<td>A report detailing the activities of the CBJ in managing and implementing the project will be shared with the EIB.</td>
</tr>
</tbody>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
Regional Integration through Trade and Transport Corridors: Morocco Activities

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Regional Integration through Trade and Transport Corridors (TRANSTRAC) – Morocco Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name</td>
<td>Morocco</td>
</tr>
<tr>
<td>Name of ISA Project Leader</td>
<td>Pasquale Staffini</td>
</tr>
<tr>
<td>Email of ISA Project Leader</td>
<td><a href="mailto:p.staffini@eib.org">p.staffini@eib.org</a></td>
</tr>
<tr>
<td>Recipient Entity</td>
<td>Ministry of Equipment and Transport</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact</td>
<td>Mr. Khalid Cherkaoui <a href="mailto:k.cherkaoui@mtpnet.gov.ma">k.cherkaoui@mtpnet.gov.ma</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>3,550,000.00</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>250,000</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>5/15/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>10/31/2014</td>
</tr>
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<td>Project Closing Date:</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
<td>Primary Pillar: Investing in Sustainable Growth</td>
</tr>
<tr>
<td></td>
<td>Secondary Pillar(s): Inclusive Development and Job Creation Competitiveness and Integration</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The objective of TRANSTRAC is to promote the reduction of trade and transport barriers along the priority trade corridors of Morocco and in related border crossings.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Satisfactory

Brief Summary of Project Implementation Status:

- A condition precedent for the EIB to procure and sign consultancy contracts for TA in beneficiary countries is the signing of a Cooperation Agreement (CA) with the promoter or beneficiary country. The CA regulates the cooperation between the Bank and a Promoter for the implementation of TA. On 17 June 2015, EIB issued the final version of this document for signature by the Moroccan authorities. Signature is expected by mid July 2015, in line with the engagement by Morocco on the occasion of the May 2015 Steering Committee meeting of the MENA Transition Fund.

- Component #1 contains regional activities – covering all TRANSTRAC countries. Services are supposed to start after Cooperation Agreements are signed by all beneficiary countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.
  a) Road Safety Action Programme, the ToR was completed and agreed with all relevant country authorities including Morocco in mid-2014. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Tunisia. Procurement is done and the consultant was selected. Activities will thus start in Morocco in 3rd quarter of 2015.
  b) TA to transportation activity: by end 2014 ToR had been completed and agreed with all countries including the Moroccan authorities. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Tunisia. Procurement will start in 3rd quarter of 2015.

- Components #2.1 : no new development

- Component #2.2 on RN8 Fes-Marrakech: ToR were completed and agreed with Moroccan authorities in mid-2014. Procurement is done and the consultant selected. Services will start now that the Cooperation Agreement with Morocco is signed.

- Component #2.3 : ToR for the feasibility study on construction materials and ToR for a pre-feasibility study on "agro-commercialization" logistics, have been drafted and sent to AMDL respectively in April 2015 and June 2015.
- Component #2.4: On 23 April 2015, the Ministry of Transport, Equipment and Logistics sent to EIB a set of ToR entitled “Étude de faisabilité technique et économique des scénarii de développement de l’offre portuaire dans la région d’Agadir.” EIB discussed the scope of this TA and the parties agreed on a scope that is feasible under the budget available. ToR have since been drafted and will be shared with the Moroccan authorities shortly. Procurement is expected to start after the summer break, as the CA with Morocco will be signed.

- Component #3 related to the project management unit (PMU): by end 2014 ToR had been completed and agreed with the Moroccan authorities. Procurement will start now that the Cooperation Agreement with Morocco is signed.

C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Institutional and capacity building for regional trade framework improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Rating: Not Applicable</td>
</tr>
</tbody>
</table>

**Sub-component 1.1**: TA to Ministry of Transport (regionwide component)

**Status of Implementation:*

By end 2014 ToR had been completed and agreed with all countries including the Moroccan authorities. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Tunisia. Procurement will start after all Cooperation Agreements are signed by all countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.

In Morocco this item will focus on the establishment of a PPP unit in the Ministry of Transport.

**Sub-component 1.2**: Ministry of Transport: Road safety assessment and action plan. (regionwide component)

**Status of Implementation:*

ToR was completed and agreed with all relevant country authorities including Morocco in mid-2014. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Tunisia. Procurement was done and the consultant selected. Services are supposed to start only after all Cooperation Agreements are signed by all countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.

<table>
<thead>
<tr>
<th>Component 2: Preparatory studies for infrastructure improvements of the priority corridors and multi-modal transport network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Rating: Not Applicable</td>
</tr>
</tbody>
</table>

**Sub-component 2.1**: Direction des Routes, DR; Preparation of the missing link of Morocco-Algeria motorway

**Status of Implementation:*

This item is being carried out by the Government with support from other financing agencies.

**Sub-component 2.2**: Direction des Routes, DR; Preliminary study of the East-South corridor

**Status of Implementation:*** Etude d’une Rocade Centrale: RN8 Fes-Marrakech: Etude de Faisabilité et Avant Projet Sommaire.

ToR completed and agreed with Moroccan authorities in mid-2014. Procurement is done and consultant selected. Services will start as soon as Cooperation Agreement with Morocco is signed.

**Sub-component 2.3**: Logistics Agency; Preparation of logistics centers
Status of Implementation:

The component has been discussed on several occasions with Agence Marocaine de la Logistique (AMDL). In 2014, EIB supported AMDL with a feasibility study for a “Zone Logistique Multi-Flux” (ZLMF) at Casablanca/Zenata funded through the FEMIP Trust Fund. The study demonstrated the feasibility of the project and proposed the creation of a “Société de Développement et Gestion” (SDG) for the implementation and operation of the project.

Following that recommendation, the Moroccan authorities are currently setting up the SDG. Once the SDG has been created, part of the TRANSTRAC funds (some USD 100,000) are intended to be used to provide project implementation support to the SDG. Details are yet to be agreed.

Beyond that, AMDL has commissioned with its own funds studies into the feasibility of logistics centres in the regions Souss-Massa-Draâ (Agadir) and Tanger-Tétouan. In that context, AMDL has requested EIB to provide TA to supervise these latter regional studies. Some EUR 50,000 from TRANSTRAC are being used for this assignment, which is ongoing to the satisfaction of the AMDL.

Based on the discussions with the AMDL, the residual funds from TRANSTRAC under this sub-component would be used for further logistics-related TAs, including the analysis of two specific freight flows in the greater area of Casablanca, namely those related to construction materials and the “agro-commercialization”, underpinning the idea of a Greater Casablanca Logistics Hub.

- ToR for the feasibility study related to construction materials (some USD 220,000) have been drafted and were sent to AMDL for comments in April 2015.
- ToR for a pre-feasibility study related to “agro-commercialization” logistics (some USD 250,000) have been drafted and were sent to AMDL for comments in June 2015.

Beyond these assignments, AMDL has suggested feasibility studies for ZLMF in 3 further regions of Morocco, namely l’Oriental, Doukkala-Abda et Chaouia-Ouardigha. It is proposed that the residual budget of around USD 250,000 from TRANSTRAC logistics component is used to support AMDL in the execution of these 3 regional logistics centre studies.

Sub-component 2.4: Ports Directorate; Preparation of selected activities for the extension of Agadir port

Status of Implementation:

A project fiche proposing a technical assistance approach was submitted to the national authorities in May 2014. Initial feedback on the fiche was received verbally during a meeting in December 2014. On 23 April 2015, the Ministry of Transport, Equipment and Logistics sent to EIB a set of ToR entitled “Étude de faisabilité technique et économique des scenarii de développement de l’offre portuaire dans la région d’Agadir.” The TA approach detailed therein deviates somewhat from the approach proposed in the project fiche and probably exceeds in terms of budget needs the USD 900,000 available. In May 2015, EIB/SNAP-T re-discussed the scope of the TA with the Moroccan authorities and the parties agreed on a scope that is feasible under the budget available. ToR have since been drafted and will be shared with the Moroccan authorities. Procurement is expected to start after the summer break, when hopefully the cooperation agreement with Morocco will be signed.

Component 3: Project Preparation, Management, Coordination, Monitoring and Evaluation

Previous Rating: Not Applicable  Current Rating: Moderately Satisfactory  Cost (US$): 400,000

Status of Implementation:

A project management unit (PMU) will be established within the lead Ministry to monitor and coordinate the TAs. The unit will be led by a ministry official who will be supported by consultants. By end 2014 ToR had been completed and agreed with the Moroccan authorities. Procurement of the related consultancy services after the Cooperation Agreement with Morocco is signed.
### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
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<tbody>
<tr>
<td>Approved Amount</td>
<td>500,000</td>
<td>2,850,000</td>
<td>3,350,000</td>
</tr>
<tr>
<td>for Direct Project</td>
<td>(a):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount Received from</td>
<td>500,000</td>
<td>2,850,000</td>
<td>3,350,000</td>
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<tr>
<td>Trustee (b):</td>
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</tr>
<tr>
<td>Actual Amount</td>
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<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Disbursed (c):</td>
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</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>1,800,000</td>
<td>1,800,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,000,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
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</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,000</td>
<td>0</td>
<td>200,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):** The objective of the proposed project is to promote reduction of trade and transport barriers along the priority trade corridors of the country and in related border crossings.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> About 30 transport staff (from different sub-sectors: roads, maritime transport, railways, ports, logistics) trained in PPP aspects and techniques</td>
<td># of participants</td>
<td>0</td>
<td>0</td>
<td>30</td>
<td>Bi-annually</td>
<td>Reports</td>
<td>PMCU and Focal Points</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Studies completed: (i) priority logistic center defined and technical studies for it completed; (ii) priority East-South corridor(s), including border crossings, defined and technical studies completed; (iii) pre-feasibility study for extension of Agadir port completed; (iv) road safety action plan completed.</td>
<td>Percentage progress; and # of studies</td>
<td>0</td>
<td>0</td>
<td>50%</td>
<td>Bi-annually</td>
<td>Reports Studies produced</td>
<td>PMCU, Focal Points with EIB input</td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

**Intermediate Result (Component One): Institutional and capacity building for regional trade framework**
- Sub-component A1: TA to Transportation
- Sub-component A2: Road safety assessment and action plan
<table>
<thead>
<tr>
<th>Intermediate Result indicator: TA to Transportation: training</th>
<th># of participants</th>
<th>0</th>
<th>0</th>
<th>30</th>
<th>Bi-annually</th>
<th>Reports</th>
<th>PMCU and Focal Points</th>
<th>Qualitative-number of participants who have successfully completed the training.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator: Road safety assessment and action plan;</td>
<td>Percentage progress and action plan completed</td>
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<td>0</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
</tr>
<tr>
<td>Intermediate Result (Component Two): <em>Preparatory studies for infrastructure improvements of the priority corridors</em></td>
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<tr>
<td>Sub-component B.1: Preliminary study of the East-South corridor, analysis of itinerary options and pre-feasibility of itinerary selected and related border crossings</td>
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<tr>
<td>Sub-component B.2: Preparation of priority logistics center as will be defined by the national strategy</td>
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<tr>
<td>Sub-component B.3: Pre-feasibility study for extension of Agadir port</td>
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</tr>
<tr>
<td>Intermediate Result indicator One: Analysis of itinerary options, transversal corridors to Algeria and the border crossings needed, and pre-feasibility of itinerary selected</td>
<td>Percentage progress and studies completed</td>
<td>0</td>
<td>0</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
</tr>
<tr>
<td>Intermediate Result indicator Two: Economic and detailed technical studies (design and tender documents) for a priority logistics center as defined by the national strategy presently underway</td>
<td>Percentage progress and studies completed</td>
<td>0</td>
<td>0</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
</tr>
<tr>
<td>Intermediate Result indicator Three: Economic and technical pre-feasibility study for the extension of the existing Agadir port or</td>
<td>Percentage progress and studies completed</td>
<td>0</td>
<td>0</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
</tr>
<tr>
<td>Intermediate Result (Component Three): Project Preparation, Management, Coordination, Monitoring and Evaluation</td>
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</tr>
<tr>
<td><strong>Intermediate Result indicator</strong></td>
<td>Quality reporting</td>
<td>Time based</td>
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<td>33</td>
<td>60%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
</tr>
</tbody>
</table>
Towards inclusive and open governments: Promoting women’s participation in parliaments and policy-making in Morocco

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Towards inclusive and open governments: Promoting women’s participation in parliaments and policy-making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Morocco</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies): OECD</td>
</tr>
<tr>
<td>Name of ISA Project Leader: OECD: Andreas Schaal/Tatyana Teplova</td>
</tr>
<tr>
<td>Email of ISA Project Leader OECD: <a href="mailto:andreas.schaal@oecd.org">andreas.schaal@oecd.org</a>; <a href="mailto:tatyana.teplova@oecd.org">tatyana.teplova@oecd.org</a></td>
</tr>
<tr>
<td>Recipient Entity: Ministry for Solidarity, Women, Family and Social Development</td>
</tr>
<tr>
<td>Email: <a href="mailto:larbi.tabit@gmail.com">larbi.tabit@gmail.com</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 633,333.00</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
</tr>
<tr>
<td>Country co-financing:</td>
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<tr>
<td>Other co-financing:</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$): 0</td>
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<tr>
<td>Steering Committee Approval Date: 5/19/2015</td>
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<tr>
<td>Project Implementation Start Date: 9/1/2015</td>
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<tr>
<td>Project Closing Date: 8/31/2018</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
</tr>
<tr>
<td>Primary Pillar: Enhancing Economic Governance</td>
</tr>
<tr>
<td>Secondary Pillar(s): Investing in Sustainable Growth Competitiveness and Integration Inclusive Development and Job Creation</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The project will support the efforts of MENA countries in transition in fostering inclusive growth and good governance by leveraging open government policies and mainstreaming gender perspectives in parliamentary operations to maximise women's integration in public life and policy-making process.

More specifically, the project aims to “Promote women's participation in parliaments and policy-making” by

1) Making legislatures transparent, equitable and gender-sensitive and;
2) Empowering (potential) women parliamentarians and strengthening their capacity and skills at the national and local levels and;
3) Improving public consultation capacity of parliaments and women’s CSOs in law-making processes.

This will be complemented by regular regional policy dialogue as an integral part of this project. This dialogue is a cross-cutting element for the continuity of the knowledge sharing process for implementation of reforms and transformation on the ground. In this context, “feedback loops” or “learning loops” will offer a multi-level mechanism for interaction and new policy approaches among parliamentarians and policy makers in the region.

Rating for progress towards achievement of objective: Not Applicable

Rating for overall implementation progress: Not Applicable

Brief Summary of Project Implementation Status:
Coordination meetings with stakeholders are planned to take place during July to discuss (a) the implementation mechanisms for the project with the respective stakeholders, (b) the development of an overall project design, (c) the coordination between international donor organizations.

Throughout the various conference calls held since the project was approved on May, the Ministry for Solidarity, Women, Family and Social Development has demonstrated strong engagement and ownership of the process. It is foreseen that project inauguration will take place in September 2015. It is also planned to start the recruitment process for and set up of the Project Implementation Unit team in September. This depends on the results of the capacity assessment of the recipient entity to be carried out in July & August to determine the required personnel for successful launch and implementation of the project. Furthermore, the OECD in cooperation with the Ministry for Solidarity, Women, Family and Social Development is coordinating closely to identify the focal contacts in partner institutions.

In June 2015, back to back with the OECD Week, the OECD organized bilateral coordination meetings with representatives of the Women in Parliament Global Forum to discuss the next steps of implementation and coordination. Another coordination meeting with USAID-Jordan took place during the OECD Week, where parties agreed to coordinate closely on the implementation of the project. The OECD is also coordinating with UN Women and it is planned to hold a coordination meeting in July. At the same time, the OECD is planning to hold coordination meetings with DFID and NDI to learn about their experiences and build on the achievement of their previous projects in the field.

This project has been reported to the OECD Public Governance Committee and External Relations Committee and discussed at various regional meetings organized in the framework of the MENA-OECD Governance Programme, which provides a forum for the coordination of country- and donor-led activities at the regional and national level.

C. Implementation Status of Components

Component 1: Making legislatures transparent, equitable, and gender-sensitive. This component will address internal and external functions of the Parliament, both as an employer and a law-maker by focusing on ensuring the gender sensitivity of the parliamentary workplace policies and election and parliamentary processes.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>200,105.00</td>
</tr>
</tbody>
</table>

Sub-component 1.1: Mapping and analysis of parliamentary electoral and workplace operations, processes and policy frameworks through a gender lens, including in selected local election councils.

Status of Implementation: The OECD is planning to kick off the project in September and start the mapping exercise with a fact finding mission with peers from OECD countries. The purpose of the fact-finding mission will be to collect data on the parliamentary processes and to conduct interviews with Parliament secretariat, senior public officials, new & former parliamentarians and international donor organizations. The mapping exercise will also include the dissemination of questionnaire on gender sensitive workplace operations, processes and policy frameworks. The mapping exercise will build on the key findings of the OECD-CAWTAR report “Women in Public Life: Gender, Law and Policy in the Middle East and North Africa” on the opportunities, challenges and barriers for promoting women’s participation in public life.

Sub-component 1.2: Providing country-based capacity building activities to parliamentarians, selected local electoral committees and secretariats.

Status of Implementation: The parliamentary elections is planned to take place in September 2015. The OECD intends to hold its first advisory session “Work-life balance policies, including arrangements for parliamentary sitting times” for (20) representatives of parliamentary secretariat, parliamentarians and local elected officials, will tentatively take place in January 2016.

Component 2: Strengthening capacity and skills of women candidates for parliament. This component will address barriers facing women in their political career and will build on the accumulated knowledge and good practices to build capacities of women candidates with the required set of skills to assume their representative role effectively. It will also aim to develop capacities and strengthen effectiveness of future female parliamentarians’ response to the growing expectations of the voters.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>223,642.00</td>
</tr>
</tbody>
</table>

Sub-component 2.1: Conducting country-based assessment of the existing opportunities and the current challenges faced by women candidates.

Status of Implementation: This subcomponent will be implemented in parallel to the sub-component 1a to align the outputs with the capacity building needs assessment for the train-the-trainer modules. The assessment is scheduled to start in September. The assessment will build on the key findings of the OECD-CAWTAR report “Women in Public Life: Gender, Law and Policy in the Middle East and North Africa.”
Law and Policy in the Middle East and North Africa” on the opportunities, challenges and barriers for promoting Women’s participation in Public Life. The OECD is also developing “2015 OECD Recommendation of the Council on Gender Equality in Public Life”. The draft Recommendation aims to apply to institutions at relevant levels of government. It is intended to provide useful guidelines for all Members and non-Members adhering to the draft Recommendation seeking to address challenges and identify good practices related to fostering gender diversity in public life. It offers valuable guidance and internationally recognised benchmarks on gender equality.

**Sub-component 2.2:** Building women’s capacities to participate in elections and parliamentary operations at national and sub-national levels

**Status of Implementation:** This subcomponent will start in 2016 in line with the start of local elections.

**Component 3: Strengthening public consultation capacity of parliaments and women’s CSOs in law-making processes**

This component will focus on building capacities of both Parliament and civil society to effectively engage with each other in the law drafting process, in response to the calls for greater openness, and gender responsiveness of public institutions, including parliaments. These activities will reinforce the activities proposed as part the sub-component 2b on strengthening gender-sensitive law making capacities.

**Previous Rating:** Not Applicable  
**Current Rating:** Not Applicable  
**Cost (US$):** 119,004.00

**Status of Implementation:** Activities of this component are scheduled to start in 2017.

**Component 4:** regional policy dialogue

The regional policy dialogue meeting is an integral part of this project. The regional policy dialogue will provide an opportunity to exchange lessons learned and good practices on leveraging open government to strengthen women’s participation in parliaments, make parliaments more open and gender-sensitive and enhance women’s participation in the policy-making process and promote networking among female parliamentarians in the region and OECD countries.

**Previous Rating:** Not Applicable  
**Current Rating:** Not Applicable  
**Cost (US$):** 50,682.00

**Status of Implementation:** The annual regional meeting “Gender mainstreaming: towards inclusive gender sensitive policies” of MENA - OECD Women in Government Platform will take place in December 2015 with the participation of MENA transition and OECD countries, which includes representatives of governments, parliaments, courts and civil society, as well as the Global Network of Women Parliamentarians.

**D. Disbursements of Transition Fund Funds for Direct Project Activities**

<table>
<thead>
<tr>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a):</td>
<td>593,433</td>
<td>593,433</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>98,905.00</td>
<td>98,905.00</td>
<td>98,905.00</td>
</tr>
<tr>
<td>2016</td>
<td>98,905.00</td>
<td>98,905.00</td>
<td>197,811.00</td>
</tr>
<tr>
<td>2017</td>
<td>98,905.00</td>
<td>98,905.00</td>
<td>197,811.00</td>
</tr>
<tr>
<td>2018</td>
<td>98,905.00</td>
<td>98,905.00</td>
<td>98,905.00</td>
</tr>
</tbody>
</table>

**F. Disbursements of Funds for Indirect Costs (US$)**

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39,900</td>
<td>39,900</td>
<td>39,900</td>
</tr>
</tbody>
</table>
**G. Results Framework and Monitoring**

<table>
<thead>
<tr>
<th>Indicator by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator 1</strong>: No. of assessments and guidelines completed and approved</td>
<td>Quantitative</td>
<td>Existing</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>once</td>
<td>Project progress reports</td>
</tr>
<tr>
<td><strong>Indicator 2</strong>: No. of internal regulations and policy proposals endorsed</td>
<td>Quantitative</td>
<td>Existing</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>annually</td>
<td>Project progress reports</td>
</tr>
<tr>
<td><strong>Indicator 3</strong>: No. of programs and projects designed and implemented to promote more gender sensitive and equitable allocation of government resources</td>
<td>Quantitative</td>
<td>none</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
<td>annually</td>
<td>Project progress reports</td>
</tr>
<tr>
<td><strong>Indicator 4</strong>: No. of public institutions (Parliament, Government Bodies and institutions) received support to conduct mapping exercise of the current situation</td>
<td>Quantitative</td>
<td>none</td>
<td>20</td>
<td>40</td>
<td>160</td>
<td>annually</td>
<td>Project progress reports</td>
</tr>
<tr>
<td>Indicator</td>
<td>Description</td>
<td>Type</td>
<td>Data</td>
<td>Target</td>
<td>Frequency</td>
<td>Monitoring</td>
<td>Impact Evaluation</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>-----</td>
<td>------</td>
<td>-------</td>
<td>----------</td>
<td>-----------</td>
<td>------------------</td>
</tr>
<tr>
<td>Indicator 5: No. of trained representatives of parliamentary secretariat, parliamentarians, local elected officials and women candidates</td>
<td>aimed at increasing their capacity to delivery public services to constituents</td>
<td>Quantitative</td>
<td>none</td>
<td>Yes</td>
<td>annually</td>
<td>Project progress reports</td>
<td>Public sector staff received training in various thematic areas to improve their capacity for better public service delivery</td>
</tr>
<tr>
<td>Indicator 6: No. of CSOs, women or youth groups engaged and empowered at the central and local level</td>
<td></td>
<td>Quantitative</td>
<td>Existing</td>
<td>Yes</td>
<td>annually</td>
<td>Project progress reports</td>
<td>Number of CSO’s involved in public consultations and Number of awareness campaigns, hits on the website and regional meetings; communication strategies; electoral commissions and parliamentary secretariat</td>
</tr>
</tbody>
</table>
## INTERMEDIATE RESULTS

### Component 1: Making legislatures transparent, equitable, and gender-sensitive

**Indicator 1:** Parliament, Government Bodies and institutions received support to conduct mapping exercise of the current situation

<table>
<thead>
<tr>
<th>Qualitative</th>
<th>yes</th>
<th>n/a</th>
<th>n/a</th>
<th>Once</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

Mapping exercise for gender sensitive parliamentary and electoral operations, processes and policy frameworks

**Indicator 2:** No. of trained representatives of parliamentary secretariat, parliamentarians and local elected officials

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>40</th>
<th>80</th>
<th>100</th>
<th>Annually</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

Number of training seminars, advisory sessions, toolkits and guidelines

### Component 2: Strengthening capacity and skills of women candidates for parliament

**Indicator 3:** Studies, assessment, reports, action plans, roadmaps, models of good practices or frameworks endorsed

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>yes</th>
<th>yes</th>
<th>n/a</th>
<th>Once in 1st and 2nd year</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

Set of targeted policy recommendations, supported by a communication strategy

**Indicator 4:** Women candidates for parliamentary elections, youth groups trained, engaged and empowered to participate in public life

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>40</th>
<th>80</th>
<th>160</th>
<th>Annually</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

Training materials for the trainers developed during the workshops, training sessions, feedback from the training session

### Component 3: Strengthening public consultation capacity of parliaments and women’s CSOs in law-making processes

**Indicator 5:** CSOs, women or youth groups engaged and empowered at the central and local level

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>yes</th>
<th>yes</th>
<th>yes</th>
<th>Annually</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

CSOs, women or youth groups engaged and
Indicator 6: Parliament and local elected institutions received support services to develop their engagement capacities

<table>
<thead>
<tr>
<th>Indicator 6: Parliament and local elected institutions received support services to develop their engagement capacities</th>
<th>Quantitative</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Annually</th>
<th>Project progress report</th>
<th>PIT</th>
</tr>
</thead>
</table>

Component 4: regional policy dialogue

Indicator 7: Improved enabling environment and institutional capacity across the region

<table>
<thead>
<tr>
<th>Indicator 7: Improved enabling environment and institutional capacity across the region</th>
<th>Quantitative</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Annually</th>
<th>Project Progress Reports</th>
<th>PIT</th>
</tr>
</thead>
</table>

Indicator 8: Documents produced and endorsed at the regional level

<table>
<thead>
<tr>
<th>Indicator 8: Documents produced and endorsed at the regional level</th>
<th>Quantitative</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Annually</th>
<th>Project Progress Reports</th>
<th>PIT</th>
</tr>
</thead>
</table>

empowered at the central and local level aimed at increasing the involvement of these groups in public policies

Parliament and local elected institutions received support services aimed at increasing their capacity to engage stakeholders, including women’s groups and mainstream gender sensitive principles

Parliament and local elected institutions received support services aimed at increasing their capacity to engage stakeholders, including women’s groups and mainstream gender sensitive principles

Number of models of good practices

Studies, assessments, reports, action plans, roadmaps, models of good practices or framework
### A. Basic Project Information

**Activity Name:** Northern Africa: Improving Connectivity in the Maghreb

<table>
<thead>
<tr>
<th>Country Name:</th>
<th>Morocco</th>
<th>Name of Implementation Support Agency(ies):</th>
<th>World Bank, OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of ISA Project Leader:</td>
<td>Jean-Francois Arvis</td>
<td>Email of ISA Project Leader:</td>
<td><a href="mailto:jarvis1@worldbank.org">jarvis1@worldbank.org</a></td>
</tr>
<tr>
<td>Recipient Entity 1:</td>
<td>Administration des douanes et impôts indirects (ADII)</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:a.zdaik@douane.gov.ma">a.zdaik@douane.gov.ma</a></td>
</tr>
<tr>
<td>Recipient Entity 2:</td>
<td>PortNet S.A.</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:jbenhayoun@portnet.ma">jbenhayoun@portnet.ma</a></td>
</tr>
<tr>
<td>Recipient Entity 3:</td>
<td>Agence Marocaine de Développement de la Logistique (AMDL)</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:younes.tazi@amdl.gov.ma">younes.tazi@amdl.gov.ma</a></td>
</tr>
<tr>
<td>Recipient Entity 4:</td>
<td>Société Nador West Med</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:jbenjelloun@nadorwestmed.ma">jbenjelloun@nadorwestmed.ma</a></td>
</tr>
<tr>
<td>Recipient Entity 5:</td>
<td>Comité Régional de l’Environnement des Affaires (CREA) – Centre Régional d’investissement de Casablanca</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:achatet@casainvest.ma">achatet@casainvest.ma</a></td>
</tr>
<tr>
<td>Recipient Entity 6:</td>
<td>General Tax Administration of Morocco</td>
<td>Name and Email of Recipient Entity Contact:</td>
<td><a href="mailto:o.faraj@tax.gov.ma">o.faraj@tax.gov.ma</a></td>
</tr>
</tbody>
</table>

| Total Amount Approved by the Transition Fund (US$): | US$ 3,292,529 |
| Additional Funds Leveraged and Source(s), if any (US$): | Parallel financing by recipient entities (ADII and PortNet): US$ 1,400,000 |
| Total Amount Disbursed (Direct and Indirect in US$): | 0 |

| Steering Committee Approval Date: | 5/20/2015 |
| Project Implementation Start Date: | 9/1/2015 |
| Project Closing Date: | 2/28/2018 |

**Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):**

- Primary Pillar: Competitiveness and Integration
- Secondary Pillar(s): Investing in Sustainable Growth, Enhancing Economic Governance, Inclusive Development and Job Creation

### B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The objective of the project is to streamline the chains of international trade between the Maghreb countries and with their major trading partners, to increase cooperation among border management agencies, to strengthen capacities in economic governance, and to build effective and transparent tax systems.

- **Rating for progress towards achievement of objective:** Not Applicable
- **Rating for overall implementation progress:** Not Applicable

**Brief Summary of Project Implementation Status:** Implementation has not yet started.

### C. Implementation Status of Components

**Component 1: Regional customs connectivity**

Operational dialogue is functional between Maghreb countries when related to technical subjects for which the administrations and operators concerned can easily find constructive projects, unhindered by third parties. This is the case for customs, where the cooperation has been more intense in recent years. This proposal focuses on data exchange, border crossings, corridors, risk management and trade surveillance. Adhering to the World Customs’ Organization vision of the 21st century on Globally Networked Customs (GNC), which aims to rationalize, harmonize and standardize the secure and efficient
exchange of information between WCO Members, the Moroccan Customs Authority (ADII) is requesting assistance in order to link its data platform to regional customs partners, such as Tunisia, Egypt and Jordan.

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Not Applicable</th>
<th>Cost (US$): US$ 750,000</th>
</tr>
</thead>
</table>

### Sub-component 1.1: Connected customs
This subcomponent will provide Technical Assistance, with the goal of facilitating the effective implementation of a network that would include Morocco, Tunisia, Algeria, France, Spain and potentially Egypt and Jordan. Beyond IT issues, this project involves legal aspects or relationships with the private sector which are complex. The TA will support implementation which currently is at an early stage. The expected benefits are very important in terms of visibility on trade facilitation and on non-tariff barriers or value analysis.

**Status of Implementation:** Kick start mission scheduled week July 27th

### Sub-component 1.2: Border crossings and corridors: Improvement of vehicle tracing (ADII)
As part of its dematerialization and simplification efforts, ADII plans to set up an automated management system for the temporary admission procedure (AT) passenger vehicles, which will allow considerable reduction in customs clearance time, especially during the transit operation. World Bank will provide technical assistance to design and implement a virtual platform that is linked to ADII’s existing online customs clearance platform, BADR.

**Status of Implementation:** Kick start mission scheduled week July 27th TORs to be approved then for work to start in September

### Sub-component 1.3: Information, control and risk
In the spirit of trade facilitation measures and the implementation of the Bali agreement to improve transparency and facilitate trade through information management, World Bank will be supporting ADII and PortNet, on whose board ADII sits, in enhancing the speed of transmission of information and consolidating information into a single platform.

**Status of Implementation:** Kick start mission scheduled week July 27th, cooperations to be identified.

### Component 2: Facilitating trade through upgrading the institutional and regulatory environment for businesses
To address the issues of regulatory convergence and an improved investment climate for competitive sectors, World Bank will support (i) the simplification effort undertaken by the Moroccan Agency for Logistics Development to improve the regulatory framework for the logistics sector (activity 2.1), and (ii) the public private regional investment climate committee established in the Greater Casablanca and the Oriental regions, and Port agencies (NadorWest Med) (activities 2.2 and 2.3) to improve competitiveness of key sectors, as described below. Working both at the economy-wide and local levels will allow for a better identification of specific binding constraints, including at sector level, and iii) the creation of a Trade portal (Portnet). It also allows for greater involvement of concerned stakeholders.

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Not Applicable</th>
<th>Cost (US$): US$ 1,400,000</th>
</tr>
</thead>
</table>

### Sub-component 2.1: Upgrading the legal and regulatory environment for the logistics sector
One of the priorities of the Deauville partnership is to promote the process of institutional change through regulatory convergence of norms and standards and other behind-the-border regulations to FDI-enhancing aspects of the regulatory environment such as the logistics landscape. In order to reap the full benefits of their greater trade and FDI integration, accelerating the convergence of regulatory frameworks in Morocco with international best practices is key. Before convergence of regulatory frameworks can occur, domestic policies need to be improved. To this end, World Bank will provide technical assistance to AMDL for development of an adequate legal and regulatory framework for the logistics sector in Morocco. Specifically, World Bank will work with AMDL to undertake a regulatory needs assessment for the logistics sector after which policy definition and design of a legal and regulatory roadmap for the short, medium and long term would occur. Upon approval of the legal and regulatory roadmap, World Bank will assist AMDL in the implementation of the policy recommendations.

**Status of Implementation:** Kick start mission scheduled week July 27th TORs to be approved then for work to start in September

### Sub-component 2.2: Maximizing the impact of the maritime complex Nador West Med
The suggested activity includes an evaluation study of how to maximize the socio-economic impact of the planned industrial port complex of Nador West Med on all investments made or planned in the Oriental region, notably in terms of job creation. This activity would involve expert assessment as well as structured public private dialogue to confirm and deepen the diagnosis on priority sectors and institutional and regulatory reforms needed to maximize the impact of Nador West Med.

**Status of Implementation:** Kick start mission scheduled week July 27th, exact scope of work and consultancy required expected to be more complicated than other components.

### Sub-component 2.3: Improving the competitiveness of businesses and trade in Casablanca
The World Bank has assisted the Government of Morocco in establishing the “Comité National de l’Environnement des Affaires” (CNEA), a public-private Committee created in 2009 and chaired by the Head of Government, which facilitates and oversees the implementation of investment climate reforms. In December 2014, a similar committee (CREA) was created at the local level in Casablanca and works closely with the CNEA. The Regional Investment Center (CRI), which is in charge of
managing the CREA, has requested WBG support and expertise to support these working groups, notably those focused on the simplification and automation of key procedures relating to trade, competitiveness of key sectors, and operating licenses. Accordingly, the project will support the CREA in establishing a structured and well-functioning public private dialogue (PPD). The project will also provide expertise to support the implementation of reform actions identified by the CREA working groups to improve the city competitiveness, notably through a legal and regulatory assessment of reform needs in view of simplifying and increasing the transparency of key procedures, through the setting up of IT tools for managing standardized licenses, and through the training of stakeholders.

**Status of Implementation:** CREA ready to start

**Sub-component 2.4: Trade Portal (PortNet)**
PortNet is a limited liability company in charge of developing and managing an operations management system for Moroccan Ports Communities that coordinates export and import services related to ports. Its purpose is to link all stakeholders (public and private) of the logistics value chain to facilitate access to information and documents and reduce the management costs of exporting and importing. World Bank will be providing technical assistance to PortNet in the design and launch of a trade information portal, a virtual platform where one can obtain all the information on regulatory requirements needed to undertake international trade.

**Status of Implementation:** Kick start mission scheduled week July 27th. TORs to be approved then for work to start in September

**Component 3: Fiscal connectivity (to be implemented by the OECD)**
This component aims at assisting Morocco to build effective and transparent tax systems that also contribute to improving the region's trade and investment climate. This overall objective will be achieved by promoting changes in tax policy and tax administration in Morocco in selected areas that introduce global standards and best practice to tackle tax evasion and avoidance, attract investment and facilitate cross border trade.

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item.</th>
<th>Current Rating: Choose an item.</th>
<th>Cost (US$): $1,019,000</th>
</tr>
</thead>
</table>

**Sub-component 3.1: Assisting with the implementation of international tax standards on tax transparency and information exchange**
In recognition that exchange of information between tax administrations is the most effective way of combating international tax avoidance and evasion, Morocco joined the Global Forum on Transparency and Exchange of Information (GFTI) in 2011. Morocco has also signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) in 2013. Besides exchange on request, the MAC also covers a broad range of other administrative co-operation tools, including automatic exchange of information which has now emerged as a new global standard, assistance in the recovery of tax claims and opens the possibility of using tax information received for tax purposes to fight other financial crimes like money laundering and corruption. Adherence to these international standards will enhance GoM's reputation with investors.

**Status of Implementation:** Implementation has not yet started.

**Sub-component 3.2: Addressing base erosion and profit shifting**
Morocco has identified multinational enterprises tax planning strategies that exploit gaps and mismatches in tax rules to make profits 'disappear' for tax purposes as a major risk. The result can be that profits are shifted to locations where there is little or no real activity but the taxes are low resulting in little or no overall corporate tax being paid. Morocco has joined the OECD project to put an end to BEPS, together with many other developing countries and countries in transition. This subcomponent will enable Morocco to benefit from the solutions developed to address BEPS and provide Morocco with a voice in the decision making process. It will also assist Morocco to introduce a tax regime aligned to international best practice, providing investors with a more transparent and stable business environment.

**Status of Implementation:** Implementation has not yet started.

**Sub-component 3.3: Revenue statistics**
Accurate, complete, current, consistent and reliable data are crucial to enhancing the effectiveness and efficiency of tax policy. The lack of sufficient and well-organized data limits the ability of the Moroccan authorities to quantify both the performance of the existing tax and customs system and the implications of introducing new policies. As a result, Morocco has expressed interest in participating in the new project that OECD and other partners are launching with other countries in the region to produce standardized indicators on government revenues. This will result in GoM being better able to inform their tax and customs policy decisions and to improve their ability to mobilize domestic resources to support sustainable economic growth, facilitate regional trade and address inequality. The project involves the publication of Morocco's government revenues in accordance with the methodology used for OECD countries.

**Status of Implementation:** Implementation has not yet started.

**Sub-component 3.4: Project management and monitoring**
A Moroccan project coordinator and an OECD counterpart will jointly ensure all project activities and tasks are executed, coordination among all actors involved in project implementation, fulfilling and monitoring procurement and fiduciary requirements and audits, and monitoring and evaluation of project outcomes and intermediary results.

**Status of Implementation:** Implementation has not yet started.
D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>OECD: 1,019,000</td>
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<td>US$ 3,169,000</td>
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<tr>
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<td>0</td>
<td>0</td>
<td>US$ 0</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>0</td>
<td>0</td>
<td>US$ 0</td>
</tr>
</tbody>
</table>

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td>WB: 250,000</td>
<td>WB: 250,000</td>
</tr>
<tr>
<td>2016</td>
<td>WB: 300,000 OECD: 170,000</td>
<td>WB: 500,000 OECD: 170,000</td>
<td>WB: 800,000 OECD: 340,000</td>
</tr>
<tr>
<td>2017</td>
<td>WB: 600,000 OECD: 170,000</td>
<td>WB: 400,000 OECD: 170,000</td>
<td>WB: 1,000,000 OECD: 340,000</td>
</tr>
<tr>
<td>2018</td>
<td>WB: 100,000 OECD: 170,000</td>
<td>WB: 119,000 OECD: 170,000</td>
<td></td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WB: 0</td>
<td>WB: 150,000</td>
<td>WB: 150,000</td>
</tr>
<tr>
<td>OECD: 0</td>
<td>OECD: 62,529</td>
<td>OECD: 62,529</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

**Project Development Objective (PDO):** The objective of the project is to streamline the chains of international trade between the Maghreb countries and with their major trading partners, to increase cooperation among border management agencies, to strengthen capacities in economic governance, and to build effective and transparent tax systems.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>YR 1</td>
<td>YR 2</td>
<td>YR 3</td>
<td>YR 4</td>
<td>YR 5</td>
</tr>
<tr>
<td>Component 1 (World Bank)</td>
<td></td>
<td></td>
<td>F</td>
<td>F</td>
<td>F</td>
<td>F</td>
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</tr>
<tr>
<td>Indicator 1.1: Operational customs data exchange channel between Morocco and Tunisia functional</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.2: Customs agents and IT technicians trained on the use of mobile customs applications/software</td>
<td>Quantitative</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 1.3: Temporary admission tracing tools in Morocco available</td>
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<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 2 (World Bank)</td>
<td></td>
<td></td>
<td>F</td>
<td>F</td>
<td>F</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>Indicator 2.1: Outputs expected by ADII and Portnet submitted</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 2.2: Regulatory reviews carried out</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 2.3: Government bodies and institutions supported (AMDL)</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>One time</td>
<td>Project Reports</td>
<td>ISAs</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
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</tr>
<tr>
<td>Indicator 2.4: Action plans to address binding constraints to the competitiveness of selected sectors in Nador adopted</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>One time</td>
<td>Project Reports</td>
<td>ISAs</td>
</tr>
<tr>
<td>Indicator 2.5: Reform roadmap formally launched for modifying key regulations and procedures identified as main bottlenecks for enhancing the competitiveness of Casablanca economy</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>One time</td>
<td>Project Reports</td>
<td>ISAs</td>
</tr>
<tr>
<td>Indicator 2.6: Output expected by Portnet submitted</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>One time</td>
<td>Project Reports</td>
<td>ISAs</td>
</tr>
<tr>
<td>Component 3 (OECD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Indicator 3.1: Tax transparency and international tax co-operation as measured against international standards</td>
<td>Qualitative and quantitative</td>
<td>In 2015 Phase 1 Peer Review of Global Forum will be</td>
<td>N/A</td>
<td>N/A</td>
<td>Internationally standards on tax transp</td>
<td>Annually</td>
<td>Global Forum on Transparenc and Exchange of Information for Tax</td>
</tr>
</tbody>
</table>
| Indicator 3.2: Tax transparency and international tax cooperation as measured against international standards | Quantitative | Corporations tax yield (approximately 17% of total tax revenues) | N/A | a) Corporate income tax increased and broadened (Baseline plus 10%) | a) Corporate income tax increased and broadened (Baseline plus 10%) | Annually | DGI corporate income tax data | DGI | a) Corporation tax increases as profit shifting risks are addressed  
b) Unilateral APA's provide certainty for business |
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Indicator 3.3: Transparent revenue statistics published in internationally comparable format</td>
<td>Qualitative</td>
<td>Statistics not published in internationally comparable format</td>
<td>Revenue statistics published according to internationally comparable criteria</td>
<td>Repeat of 2016</td>
<td>Repeat of 2017</td>
<td>Annually</td>
<td>Revenue Statistics publications</td>
<td>OECD/DGI</td>
<td>Publication of statistics is measure of transparency and international comparability</td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS (Component 2)**

**Intermediate Result (Component Two):**

*Note: No intermediate results previewed for components one due to the short duration of the project.*

**Intermediate Result indicator 2.1: Legal and** | Binary | No | Yes | Yes | One time | Project Reports | ISAs
A regulatory roadmap for the logistics sector is endorsed by the AMDL.

**Intermediate Result indicator 2.2:** Assessment and prioritization of binding constraints to competitiveness in Nador carried out.

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>One time</th>
<th>Project Reports</th>
<th>ISAs</th>
</tr>
</thead>
</table>

**Intermediate Result indicator 2.3:** Number of workshops and focus groups organized with the CREA and carried out for identifying and assessing binding constraints to competitiveness

<table>
<thead>
<tr>
<th>Numerical</th>
<th>One time</th>
<th>Project Report</th>
<th>ISAs</th>
</tr>
</thead>
</table>

**Intermediate Result indicator 2.4:** Assessment report on simplification of key operating procedures endorsed by the CREA

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>One time</th>
<th>Project Report</th>
<th>ISAs</th>
</tr>
</thead>
</table>

### INTERMEDIATE RESULTS (COMPONENT 3)

**Sub Component 3.1:** Assisting with the implementation of international tax standards on tax transparency and information exchange

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>F</td>
<td>2017</td>
<td>F</td>
<td>2018</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>(a) Activity 3.1.1: Reviewing the current framework and practices, making recommendations and assisting with legislative and process changes</td>
<td>Qualitative</td>
<td>Global Forum Phase 1 peer review 2015</td>
<td>n/a</td>
<td>Legal and institutional reforms are adopted</td>
<td>According to Global Forum timetable</td>
<td>Project Implementation Reports</td>
<td>Global Forum/DGI</td>
</tr>
<tr>
<td>---</td>
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</tr>
<tr>
<td>(b) Activity 3.1.2: Enhancing the effectiveness of Exchange of Information (EOI) Unit</td>
<td>Quantitative and Qualitative</td>
<td>Zero EOI requests initiated</td>
<td>10 EOI requests initiated</td>
<td>10 EOI requests initiated (cumulative)</td>
<td>Project Implementation Reports</td>
<td>DGI/Global Forum Reports</td>
<td>EOI requests and tax reassessments based on foreign source information are indicative of effective EOI operations</td>
</tr>
<tr>
<td>(c) Activity 3.1.3: Exploiting the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (OECD executed)</td>
<td>Quantitative and Qualitative</td>
<td>Convention signed in 2013 but not yet ratified</td>
<td>MAC ratified by parliament</td>
<td>N/A</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI</td>
</tr>
<tr>
<td>(d) Activity 3.1.4: Automatic Exchange of Information Pilot</td>
<td>Quantitative</td>
<td>No information shared automatically</td>
<td>Signatory of the Multilateral Competent Authority Agreement for AEOI of Financial Account</td>
<td>Informatio of exchange takes place on automatic basis</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI/Global Forum Reports</td>
</tr>
<tr>
<td>Sub Component 3.2: Addressing Base Erosion and Profit Shifting</td>
<td></td>
<td></td>
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<td>---------------------------------------------------------------</td>
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</tr>
<tr>
<td>(a) Activity 3.2.1: Assistance in participating in the BEPS project rule setting and implementing appropriate measures in Morocco</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quantiative</td>
<td>BEPS actions to be finalize d end 2015</td>
<td>DGI adopts 1 key BEPS priority action (tbc)</td>
<td>DGI adopts 2 key BEPS priority actions (tbc)</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI</td>
<td>Participation in BEPS project leads to adoption of key actions for DGI.</td>
</tr>
<tr>
<td>(e) Activity 3.1.5: Capacity building through staff assignment and participation at multilateral events</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quantitative</td>
<td>N/a</td>
<td>2X officials trained and knowledge operatio nalized on 2 X courses to be determined</td>
<td>2X officials trained on 2 X courses to be determined</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI/Global Forum Reports</td>
<td>Skills acquired support other sub components</td>
</tr>
</tbody>
</table>

[Information](http://www.oecd.org/tax/exchange-of-tax-information/multilateral-competition-agreement.htm)
<table>
<thead>
<tr>
<th>Activity</th>
<th>Objective</th>
<th>Method</th>
<th>Baseline</th>
<th>Baseline Increase</th>
<th>Baseline Increase, Cumulative</th>
<th>Timeframe</th>
<th>Responsibility</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Activity 3.2.2: Assistance to develop and implement a strategy on implementing an effective regime to address Transfer Pricing and other BEPS risks (OECD executed)</td>
<td>Qualitative</td>
<td>Risk assessment of profit shifting in 2015, baseline tbc</td>
<td>10% increase in audits on BEPS issues</td>
<td>10% increase in audits on BEPS issues, cumulative</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI</td>
<td>Audits lead to adjustments and thus increased revenues</td>
</tr>
<tr>
<td>(c) Activity 3.2.3: Assistance to develop and implement an Advanced Pricing Agreement (APA) program (see also above PDO level 1 indicator)</td>
<td>Quantitative</td>
<td>Legislation and rules not yet fully in place</td>
<td>Legislation and regulation in place to facilitate APA program</td>
<td>N/A</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI</td>
<td>APAs between DGI and companies</td>
</tr>
<tr>
<td>(d) Activity 3.2.4: Capacity building through participation at multilateral events</td>
<td>Quantitative</td>
<td>2x officials in 2x courses tbc</td>
<td>2x officials in 2x courses tbc</td>
<td>2x officials in 2x courses tbc</td>
<td>Assessed annually</td>
<td>Project Implementation Reports</td>
<td>DGI</td>
<td>Skills/knowledge acquired support other sub components</td>
</tr>
</tbody>
</table>

Sub Component 3.3: Revenue Statistics
<table>
<thead>
<tr>
<th>(a) Activity 3.3.1: Capacity to develop internationally comparable Revenue Statistics data, including customs data.</th>
<th>Qualitative/Quantitative</th>
<th>N/A</th>
<th>2 X officials on placement in OECD (rev stats teams)</th>
<th>Completion of statistics from 1990 to 2016</th>
<th>Expansion of coverage to include local authorities taxation</th>
<th>Annually</th>
<th>Project Implementation Reports</th>
<th>DGI</th>
<th>Skills and knowledge required to publish revenue statistics.</th>
</tr>
</thead>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
Accessing Overseas Employment Opportunities for Moroccan Youth

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Accessing Overseas Employment Opportunities for Moroccan Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Kingdom of Morocco</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> Ms Manjula Luthria</td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Agence Nationale de Promotion de l’Emploi et des Compétences (ANAPEC)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total Amount Approved by the Transition Fund (US$):</strong> 1.75M</th>
<th><strong>Additional Funds Leveraged and Source(s), if any (US$):</strong> 0</th>
<th><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> 83,030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steering Committee Approval Date:</strong> June 11th, 2014</td>
<td><strong>Project Implementation Start Date:</strong> 4/15/2015</td>
<td><strong>Project Closing Date:</strong> June 30, 2018</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong></td>
<td><strong>Primary Pillar:</strong> Inclusive Development and Job Creation</td>
<td><strong>Secondary Pillar(s):</strong> Competitiveness and Integration</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
<td>------------------------------------------------------------</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The proposed project development objective is to strengthen institutional capacity to pilot the reform of international labor intermediation services in Morocco and better prepare the Moroccan workforce for greater integration with international labor markets through a concrete recruitment experience with Germany.

**Rating for progress towards achievement of objective:** Satisfactory

**Rating for overall implementation progress:** Satisfactory

**Brief Summary of Project Implementation Status:** Grant was signed in April 2015. Since then and until today (July 14) GIZ and ANAPEC are drafting, with WB’s support, the single source contract that will give the basis for project implementation in Morocco. PMU has started the process of hiring the financial and procurement support needed. There have been delays in the drafting of the documents, partly due to GIZ’s financial department overload in June. Contract signature should take place in August or September. Project activities should start in September.

C. Implementation Status of Components

**Component 1: Institutional capacity building for the selection and preparation of overseas employment candidates:** The first component will provide technical assistance and capacity building to ANAPEC to strengthen the design of pre-selection procedures, and implementation of the pre-selection process for the Moroccan candidates seeking overseas employment opportunities. The component will also finance the development of pre-departure training modules and seminars in Morocco to support ANAPEC in preparing the candidates for their stay and employment abroad.

<table>
<thead>
<tr>
<th><strong>Previous Rating:</strong> Not Applicable</th>
<th><strong>Current Rating:</strong> Not Applicable</th>
<th><strong>Cost (US$):</strong> 1,300,000</th>
</tr>
</thead>
</table>

**Sub-component 1.1: Pre-selection of candidates:** This sub-component will finance consultant services and workshops to provide technical assistance and capacity building to ANAPEC to strengthen the design and implementation of pre-selection procedures for Moroccan candidates seeking overseas employment opportunities.

**Status of Implementation:** Not yet started

**Sub-component 1.2: Pre-departure training:** This sub-component will finance consultant and firm services, training modules and seminars to support ANAPEC in preparing the pre-selected candidates for their stay and employment abroad. This sub-component will support ANAPEC in: (i) organizing an intensive language and intercultural training course tailored to the specificities of the Tourism-Hospitality industry and work and daily life abroad; and (ii) developing a specific module on expectation management.

**Status of Implementation:** Not yet started

**Sub-component 1.3: Assistance upon departure and integration support:** This sub-component will finance visa fees, work permit processing, travel costs and any other travel-related expenses upon departure for the selected candidates, as
well as consultant services, workshops and travels at destination to support the integration of the candidates in their hosting companies throughout the program.

**Status of Implementation:** Not yet started

### Component 2: Developing sustainable partnerships between public and private actors within and across borders for job placement beyond the pilot

The second component will focus on building sustainable partnerships between ANAPEC and relevant public and private partners in the destination country to facilitate overseas job placement throughout and beyond the pilot. It will entail regular consultations with employers’ representatives and other relevant players at destination.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>200,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:** Not yet started

### Component 3: Knowledge Sharing and Dissemination

The final component will support the Ministry of Employment and Social Affairs (MESA) and ANAPEC in drawing and sharing the lessons learned from the design and implementation of the pilot at the national, regional and international levels. Activities will include south-south learning, monitoring and evaluation, as well as communication and knowledge dissemination.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>200,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:** Not yet started

## D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>approved amount for Direct Project Activities (a):</th>
<th>Approved Amount for Direct Project Activities (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(x)</td>
<td>1,550,000</td>
<td>200,000</td>
<td>1,750,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

## E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>350,000</td>
<td>850,000</td>
</tr>
<tr>
<td>2016</td>
<td>350,000</td>
<td>500,000</td>
<td>850,000</td>
</tr>
<tr>
<td>2017</td>
<td>250,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
<tr>
<td>2018</td>
<td>200,000</td>
<td>150,000</td>
<td>350,000</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>83,030</td>
<td>141,970</td>
<td>225,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

#### Project Development Objective (PDO):

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One</strong>: Morocco, through ANAPEC, has established stronger pre-selection procedures and pre-departure training modules for candidates seeking overseas employment</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>ANAPEC and MESA</td>
</tr>
<tr>
<td><strong>Indicator Two</strong>: A sustainable public-private partnership between ANAPEC, GIZ and German employers’ representatives is established and functioning in practice to scale up and replicate the pilot</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>ANAPEC</td>
</tr>
<tr>
<td><strong>Indicator Three</strong>: Percentage of German employers willing to hire again from Morocco</td>
<td>Percent</td>
<td>None</td>
<td>TBD through survey</td>
<td>N/A</td>
<td>N/A</td>
<td>TBD after initial survey</td>
<td>Twice</td>
</tr>
<tr>
<td><strong>Indicator Four</strong>: A regional model of good practice is developed and</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
shared through World Bank and other networks

Completion Report, citations of program as a good practice, replication peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad.

**INTERMEDIATE RESULTS**

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Qualitative</th>
<th>None</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Once</th>
<th>Project implementation reports</th>
<th>ANAPEC and GIZ</th>
<th>Manual is developed and used for candidate pre-selection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component One:</strong> Institutional Capacity Building for the Selection and Preparation of Overseas Employment Candidates</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Intermediate Result indicator One: Pre-selection manual which incorporates feedback from project stakeholders is developed and aligned with the established selection principles and international good practice</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
<tr>
<td>Percentag</td>
<td>None</td>
<td>90</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
<tr>
<td>Intermediate Result indicator Two: Candidate pre-selection completed in line with good practice and led jointly by private and public sector stakeholders from destination countries</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
<tr>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
<tr>
<td>Three: Pre-selection interviews held in Morocco, led by ANAPEC and destination country interviewers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
<tr>
<td>Four: Pre-departure and orientation training, including language and intercultural</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>Manual is developed and used for candidate pre-selection</td>
<td></td>
</tr>
</tbody>
</table>
**Intermediate Result indicator Five:** Module on expectation management, incorporating input from destination country stakeholders and return migrants or diaspora, designed by ANAPEC and its partner agencies

<table>
<thead>
<tr>
<th>Qualitative</th>
<th>None</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Once</th>
<th>Project implementation reports</th>
<th>ANAPEC and GIZ</th>
<th>Module designed and delivered</th>
</tr>
</thead>
</table>

**Intermediate Result indicator Six:** Apprenticeship participants and firms reporting participation in integration activities

<table>
<thead>
<tr>
<th>Percent</th>
<th>None</th>
<th>No</th>
<th>100</th>
<th>100</th>
<th>100</th>
<th>Ongoing</th>
<th>Project implementation reports, survey reports</th>
<th>MRE and GIZ</th>
<th>% of candidates and firms assigned and working with integration mentors, % of firms and candidates who participated in orientation seminar (with signed lists to prove participation)</th>
</tr>
</thead>
</table>

**Intermediate Result indicator Seven:** Percent of participants who report being adequately equipped for their apprenticeship

| Percent | None | No | 50 | N/A | 75 | Twice | Participant survey report | World Bank and MRE | Participant surveys, administered in the first and the final year of the |
## Intermediate Result (Component Two): Developing Sustainable Partnerships between Public and Private Actors Within and Across Borders for Job Placement Beyond the Pilot

<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>Qualitative</th>
<th>None</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Once</th>
<th>Strategy document</th>
<th>ANAPEC/MESA/GIZ</th>
<th>Strategy document completed with support from GIZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: Preparation of a placement strategy for ANAPEC and MESA in Germany on the basis of recent and detailed information on growth prospects and labor needs in key sectors of the German economy, legal frameworks and administrative arrangements for the admission of foreign workers at different skill levels</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Once</td>
<td>Strategy document</td>
<td>ANAPEC/MESA/GIZ</td>
<td>Strategy document completed with support from GIZ</td>
</tr>
<tr>
<td>Two: Consultations held with employers and other relevant public and private players in Germany based on the sectoral analysis to be conducted for the placement strategy beyond the pilot</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Ongoing</td>
<td>Project implementation reports</td>
<td>ANAPEC and GIZ</td>
<td>List of employers, employers’ representatives and other relevant players consulted in Germany</td>
</tr>
</tbody>
</table>

## Intermediate Result (Component Three): Knowledge Sharing and Dissemination

<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>Qualitative</th>
<th>None</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
<th>Twice</th>
<th>Project implementation reports</th>
<th>WB</th>
<th>South-South workshop proceedings prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: South-South workshops with other MENA origin countries and Deauville partners, at least one of which is held in Morocco, to share experience on international labor intermediation and related pilot experiences</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Twice</td>
<td>Project implementation reports</td>
<td>WB</td>
<td>South-South workshop proceedings prepared</td>
</tr>
<tr>
<td>Two: Firms surveyed to measure level of satisfaction with candidates and perceptions of Moroccan workers</td>
<td>Percent</td>
<td>TBD through survey</td>
<td>N/A</td>
<td>Baseline + % TBD</td>
<td>Baseline + % TBD</td>
<td>Baseline + % TBD</td>
<td>Thrice</td>
<td>Firm surveys</td>
<td>WB</td>
<td>Firms surveyed to assess their perceptions of Moroccan workers</td>
</tr>
</tbody>
</table>
**Intermediate Result Indicator**
Three: Communication strategy and material designed

<table>
<thead>
<tr>
<th>Qualitative</th>
<th>None</th>
<th>Yes</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Once</th>
<th>Project implementation reports</th>
<th>WB</th>
<th>Strategy to disseminate lessons learned from the pilot to national, regional, and World Bank audience developed</th>
</tr>
</thead>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
Local Government Support Program

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Local Government Support Program (PACT)</th>
<th>Country Name: MOROCCO</th>
<th>Name of Implementation Support Agency(ies): World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of ISA Project Leader: Andrea Liverani</td>
<td>Name of Implementation Support Agency(ies): World Bank</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Total Amount Approved by the Transition Fund (US$): 5,045,000</th>
<th>Additional Funds Leveraged and Source(s), if any (US$): 3,900,000</th>
<th>Total Amount Disbursed (Direct and Indirect in US$): 896,617.21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering Committee Approval Date: May 15, 2013</td>
<td>Project Implementation Start Date: December 1, 2013</td>
<td>Project Closing Date: September 30, 2018</td>
</tr>
</tbody>
</table>

<table>
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<td></td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective:
To strengthen the public service delivery capacity at decentralized level in Morocco by improving local governments’ access to support services and incentives.

Rating for progress towards achievement of objective: Moderately Satisfactory
Rating for overall implementation progress: Moderately Unsatisfactory

Brief Summary of Project Implementation Status:
Following the last supervision mission (January 5-9, 2015), a technical visit was carried out during July 6-9, 2015 to monitor and help advance the uptake of the project. Delays have particularly been due to the recruitment of a new Assistant Project Manager. Therefore his absence resulted in weak implementation of Component 1 and partly in a lack of coordination and follow-up among MOI directorates due to institutional reasons. A new consultant was contracted in June 2015. The team provided a close support to ensure the project progresses in the meantime. Another aspect which might explain MOI's lack of attention to the project is the legal preparatory work ongoing in Morocco related to the Organic Laws on Communes and Regions. The Department in charge of preparing this work - Direction des Affaires Juridiques - within the MoI is also in charge of coordinating the overall grant implementation.

The technical visit was the opportunity to move forward with MoI teams on grant implementation. Following the Grant downgrading, the team reiterated the need to speed up implementation to all members of the project implementation unit (DAA, DRSC, DAI). TORs to launch significant studies have been finalized and call for proposals have been published, regarding both components: (i) Deconcentrated LG Support Centers, and (ii) technical assistance for institutionalizing inter-municipal cooperation for local service delivery. In addition, potential activities will be identified in the coming weeks to be financed by the Grant, and that would aim at achieving the PACT objectives and disburse funds.

Progress with both components will be monitored closely in the coming weeks to ensure the activities are moving forward. Also a supervision mission will take place in September, to discuss on possible additional activities and modify the procurement plan accordingly. The team proposes to maintain a close watch on implementation including through frequent missions in order to provide due assistance and supervision.

Lastly, the advance in the designated account of an amount of 5,000,000 MAD was partially used. An amount of 332,850.00 MAD was justified with value date of April 28, 2015. No other disbursement was made to date. There is still a slow progression of commitments, payments and disbursements.
C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Deconcentrated LG Support Centers. This component designs and pilots a support mechanism that will provide LGs with technical assistance to prepare and manage projects.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Rating: Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Sub-component 1.1: Initial studies and implementation planning. Expertise to assist the Moroccan Government with reviewing implementation options and organizing a consultative process to define, in partnership with LGs, central government departments and other stakeholders, the optimal legal and administrative form, territorial mapping, and deployment plan of such Support Centers. This will also include staffing requirements, IT and other resources, budget, etc.</td>
</tr>
<tr>
<td>Status of Implementation: A new Assistant Project Manager was recruited in June. The team met with him to ensure he had all needed background elements to move forward and deliver on this component. TORs have been drafted to contract a consultant who will review implementation options and organize a consultative process to define, in partnership with LGs, central government departments and other stakeholders, the optimal legal and administrative form, territorial mapping, and deployment plan of the deconcentrated support centers. One priority task of the newly recruited Assistant Project Manager will be to closely follow up on the call for proposals process in coordination with concerned counterparts. Work is expected to start in September for 4 months.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 2: This component includes specific consulting services and incentives towards accelerating the formation of inter-municipal cooperation structures and the creation of new service delivery models on a pilot basis. Inter-municipal cooperation structures are necessary to manage local network services, such as urban transport which often needs to go beyond municipal boarders, in an efficient and effective way.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Rating: Satisfactory</td>
</tr>
<tr>
<td>Sub-component 2.1: Technical Assistance to LGs to set up associations. The grant would finance consulting services to provide hands-on expertise to a limited number of municipalities wishing to form an association on a pilot basis. This assistance would help them design adequate arrangements for governance, budgeting and financial transfers, staffing, incentive mechanisms, etc.</td>
</tr>
<tr>
<td>Status of Implementation: The Institutional Expert consultant produced three deliverables:</td>
</tr>
<tr>
<td>- Definition of eligibility criteria for financial support from the dedicated transport fund (FART)</td>
</tr>
<tr>
<td>- Public transport financing mechanisms and development of new funding resources</td>
</tr>
<tr>
<td>- A critical analysis of Al Assima inter-municipal cooperation structure</td>
</tr>
<tr>
<td>In addition TORs have been drafted to select a firm that will provide technical assistance to a limited number of municipalities willing to create and/or expand inter-municipal cooperation structures. The consultant conducted a series of field missions to meet with concerned local governments and gauge their needs and expectations. A workshop took place on March 10, 2015 to share recommendations from these national and local stakeholders so as to finalize TOR drafting. Call for proposals was finally launched July 15, 2015 and the selected firm is expected to start working in November. Targeted urban conurbations are Agadir, Casablanca, Rabat-Sale, and Tangier. In addition, potential activities will be identified in the coming weeks to be financed by the Grant under this component, and that would aim at achieving the PACT objectives. The GoM already shared TOR of study that would analyze options and propose scenarios to restructure the electricity, water, and sanitation distribution system in the Souss-Massa region. This study would match the PACT framework and objectives insofar as it encourages inter-municipal cooperation and helps improve decentralized public services delivery.</td>
</tr>
</tbody>
</table>
Sub-component 2.2: Stocktaking of private sector participation (PSP) issues, design of a sustainable sector financing framework, design and set up of asset companies (SP). This would include studies, such as a brief study to re-assess what conditions would be optimal in Morocco for preserving effective private sector involvement. Such study would be based on the results of existing sector-specific studies and complement them to draw generic lessons, with a view to designing the new pilots. The grant would also finance the review of possible designs for SPs or other types of institutional arrangements based on international benchmarks.

Status of Implementation: Studies have been included in the TOR of the above-mentioned technical assistance.

Sub-component 2.3: Incentive mechanisms. The proposed program will also fund an incentive mechanism for the formation of new municipal groupings, which could be in the form of a contribution to set-up costs or to all or part of the associations’ incremental operating costs for a defined period.

Status of Implementation: The team discussed it during the technical visit in July. The GoM will ask the firm to and will submit proposals to set up such mechanisms during the supervision mission in September.

Component 3: In addition to normal implementation functions, such as project management, procurement and financial management, this component includes planning the deployment of the project activities with participating government departments, regularly following up with each of them on progress towards meeting their commitments, and organizing continued consultations with stakeholders and in particular LGs all along project implementation. The grant would also finance incremental operating costs for the Program Management Team (PMT) and monitoring and evaluation (M&E). The PMT will be in charge of ensuring the overall quality of services provided to LGs through the deconcentrated Support Centers and bringing in international experience and benchmarks as needed.

Previous Rating: Moderately Unsatisfactory

Current Rating: Moderately Unsatisfactory

Cost (US$): US$450,000 + US$100,000 for contingencies

Status of Implementation: Project management performance to date remains moderately unsatisfactory due to delays in recruiting the Assistant Project Manager. He will now liaise with the department and consultant in charge of component 2 to improve coordination and information-sharing. A PMT meeting is expected to take place in July 2015. In addition, the steering committee will meet to (i) validate the approach proposed by the study under Component 1, and (ii) approve the firm selection in charge of Component 2 technical assistance. Lastly, an M&E consultant should be recruited by the end of 2015.

D. Disbursements of Transition Fund Funds for Direct Project Activities

| Approved Amount for Direct Project Activities (a): | 4,550,000 | 4,550,000 |
| Amount Received from Trustee (b): | 4,550,000 | 4,550,000 |
| Actual Amount Disbursed (c): | 614,832.21 | 614,832.21 |

* of which a USD 367,647.06 referring to 2 contracts will be committed in the next month

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>614,832.21</td>
<td>-</td>
<td>614,832.21</td>
</tr>
<tr>
<td>2015</td>
<td>375,000</td>
<td>600,000</td>
<td>975,000</td>
</tr>
<tr>
<td>2016</td>
<td>600,000</td>
<td>631,250</td>
<td>1,231,250</td>
</tr>
<tr>
<td>2017</td>
<td>662,500</td>
<td>662,500</td>
<td>1,325,000</td>
</tr>
<tr>
<td>2018</td>
<td>403,917.79</td>
<td>-</td>
<td>403,917.79</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>281,785</td>
<td>213,215</td>
<td>495,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

**Project Development Objective (PDO):** The PDO of the proposed Grant is to strengthen the public service delivery capacity at decentralized level in Morocco by improving local governments’ access to support services and incentives.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 1:</td>
<td></td>
<td></td>
<td>Dec 2013 – Nov 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Local Government Support Program (PACT) is set-up and operational.</td>
<td>yes/no</td>
<td>No</td>
<td>A</td>
<td></td>
<td>Official Gazette</td>
<td>Support Centers are providing services to LGs.</td>
</tr>
<tr>
<td>Indicator 2:</td>
<td></td>
<td></td>
<td>Dec 2014 – Nov 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The financial incentive of the PACT is financed adequately and there is a formal commitment to fund the Program after grant closure.</td>
<td>eq. US$ m</td>
<td>0</td>
<td>0</td>
<td></td>
<td>Biannual report</td>
<td>Incentive funds in a cumulative amount of US$3 million are allocated. After grant closure an adequate amount is budgeted for the Program.</td>
</tr>
<tr>
<td>Number of beneficiaries (male/female) (core sector indicator)</td>
<td>Population</td>
<td>0</td>
<td>TBD in YR1</td>
<td></td>
<td>Census data</td>
<td>Population of the LGs benefitting from the program, and % male/female – targets to be determined in YR1 when design will be finalized.</td>
</tr>
</tbody>
</table>

**Intermediate results**
### Intermediate results of component 1: Deconcentrated Local Government Support Centers

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 1.1:</th>
<th>The number of Local Government support centers established.</th>
<th>number</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Annually</th>
<th>Biannual report</th>
<th>Implementing organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result Indicator 1.2:</td>
<td>The number of Government Departments offering services through the established support centers.</td>
<td>number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>Annually</td>
<td>Biannual report</td>
<td>Implementing organization</td>
</tr>
<tr>
<td>Intermediate Result Indicator 1.3:</td>
<td>The number of Municipalities benefiting from support of the LG Support Centers.</td>
<td>number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>20</td>
<td>50</td>
<td>Annually</td>
<td>Biannual report</td>
<td>Implementing organization</td>
</tr>
</tbody>
</table>

### Intermediate results of component 2: Inter-municipal Cooperation and Institutional Reform for Local Service Delivery

| Intermediate Result Indicator 2.1: | The number of conurbation associations created and/or expanded (geographically or in sector terms) with clear/sustainable legal, financial, governance, and staffing arrangements. | number | 0 | 0 | 0 | 0 | 1 | 2 | Annually | Biannual report | Implementing organization |

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 2.2: The number of conurbations with operational asset companies or similar institutional arrangements.</th>
<th>number</th>
<th>0</th>
<th>0</th>
<th>0</th>
<th>1</th>
<th>1</th>
<th>3</th>
<th>Annually</th>
<th>Biannual report</th>
<th>Implementing organization</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 2.3: Lessons learnt from the pilot phase drawn and program to further support to inter-municipal cooperation developed.</th>
<th>Yes/no</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>Annually</th>
<th>Biannual report</th>
<th>Implementing organization</th>
</tr>
</thead>
</table>

**Intermediate results of component 3: Project Management, Monitoring and Evaluation**

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 3.1: The monitoring and evaluation system for the Program is operational.</th>
<th>Yes/no</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>Annually</th>
<th>Biannual report</th>
<th>Implementing organization</th>
</tr>
</thead>
</table>

Document with lessons learned and plan to continue with the support to inter-municipal cooperation available.
Morocco Microfinance Development Project

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Morocco Microfinance Development Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Morocco</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> Teymour Abdel Aziz</td>
</tr>
<tr>
<td><strong>Email of ISA Project Leader:</strong> <a href="mailto:tabdelaziz@worldbank.org">tabdelaziz@worldbank.org</a></td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> PMU (Ministry of Economy and Finance (MoEF))</td>
</tr>
<tr>
<td><strong>Name and Email of Recipient Entity Contact:</strong> Aziz Alouane, Division Chief, Credit Institutions (Etablissements de Crédit), <a href="mailto:a.alouane@tresor.finances.gov.ma">a.alouane@tresor.finances.gov.ma</a></td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong> 5,560,000</td>
</tr>
<tr>
<td><strong>Additional Funds Leveraged and Source(s), if any (US$):</strong></td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> 794,716</td>
</tr>
<tr>
<td><strong>Steering Committee Approval Date:</strong> 2/20/2013</td>
</tr>
<tr>
<td><strong>Project Implementation Start Date:</strong> 7/31/2013</td>
</tr>
<tr>
<td><strong>Project Closing Date:</strong> 1/31/2018</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong> Primary Pillar: Inclusive Development and Job Creation. Secondary Pillar(s): Investing in Sustainable Growth, Enhancing Economic Governance, Competitiveness and Integration</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

<table>
<thead>
<tr>
<th>Project Development Objective: The project objective is to promote access to finance to low income households and micro and small enterprises through the promotion of a sustainable and inclusive microfinance sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating for progress towards achievement of objective:</strong> Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Rating for overall implementation progress:</strong> Moderately Satisfactory</td>
</tr>
</tbody>
</table>

**Brief Summary of Project Implementation Status:**

This grant, financed under the Middle East and North Africa Transition Fun (Deauville), became effective upon signing of the Grant Agreement on July 25, 2013. The project aims to improve access to finance for low-income households and micro and small businesses through the development of an inclusive and sustainable microfinance sector. The project implementation unit (PIU) has recruited a procurement consultant and financial management consultant and the team has launched activities across the projects three primary pillars: i) strengthening the legal, regulatory, tax, and governance framework for microfinance; ii) strengthening market infrastructure, product innovation, and funding sources for microfinance; iii) and integrating microfinance into a national financial inclusion strategy. Key activities underway include the modernization of the legal, regulatory and institutional of the Moroccan Microfinance Sector, supporting the commercialization of products of microenterprises, intensification of national financial education initiatives, and the establishment of an M&E and impact evaluation center for financial inclusion policies. The project closes end of January 2018.

The PIU has made progress on all components, but the pace of implementation has been impacted for administrative reasons. Since the project is supervised by the WB, but executed by the MoF, all activities need to follow both the WB's guidelines and MoF's procurement, financial management and disbursement rules, which have had led to delays in implementation. The team will continue to work closely with the PIU to address key bottlenecks that continue to slow down project implementation, in particular with regards to procurement and financial management to ensure that the project activities will be implemented according to the approved work plan and any delays should be avoided. The team will invest additional resources over the coming months to ensure capacity related to procurement and FM functions are strengthened, steering committee meetings occur on time, and as a result activity implementation accelerates. The resignation of the financial management consultant has led the PIU to launch a procurement process in order to select his replacement. The terms of reference are ready and the process will be launched shortly.
C. Implementation Status of Components

**Component 1: Strengthening the institutional, legal, regulatory, tax and governance framework for microfinance**

This component aims to support activities contributing to the strengthening of the institutional, legal, regulatory and governance framework of the microfinance sector. This component aims to prepare an action plan to assess and reinforce the capacity of the National Federation of Microcredit Associations of Morocco (FNAM) and support activities contributing to the strengthening of the legal, regulatory, tax and governance framework of the microfinance sector. This component will also finance goods, services, travel, and incremental operating costs incurred by the PMU in the implementation and management of the project.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>(US$ 1.9 million)</td>
</tr>
</tbody>
</table>

The Ministry of Finance and the Central Bank of Morocco (Bank al Maghrib) organized on December 2-3 2014 a workshop on the Legal and Regulatory Framework for Microfinance. The workshop featured deep dive sessions on prudential and non-prudential regulatory best practices (drawing on CGAP’s regulatory consensus guidelines for the sector), principles of NGO-MFI transformation, and South-South learning featuring representatives from the Pakistan Central Bank and the Pakistan Rural Support Program (transformed NGO MFI). The workshop was considered to be a turning point for the sector’s development by key stakeholders for a number of reasons: 1) For the first time, the MoF actively communicated its commitment to reform the regulatory framework to the media, sending a clear signal of commitment to change. 2) It was the first event on the reform of the regulatory framework that united all key actors in one room: Large MFIs, small MFIs, sector association (FNAM), MoF, BAM, WB, IFC and GIZ; and 3) The FNAM (sector association), which was dominated by small MFIs and had been initially opposed to the reform, agreed to change course and play a more constructive role. Despite existing differences, the discussions held revealed an emerging consensus on the following points: a) public authorities role should be the promotion of financial inclusion through a variety of providers (not only microfinance institutions but banks via downscaling, the post, NBFIs) with a focus on access, quality, and usage; b) transformation of NGO MFIs is needed to effectively grow the sector and enhance outreach and that c) a multi-tiered approach should be pursued where institutions can transform or not and have a variety of legal options to exist in accordance with their goals, capacity, and vision.

Following the workshop, the MoF has selected the consultant to conduct the institutional study of the microfinance sector, which is expected to commence in September 2015.

**Sub-component 1.1:** Assess and reinforce the capacity of the National Federation of Microcredit Associations of Morocco (FNAM): FNAM is the primary industry association responsible for development of the microfinance sector in Morocco through policy guidance, MFI coordination, and engagement with key actors including funders and regulators. The institutional capacity of FNAM needs to be strengthened to ensure the sector can effectively restructure, expand, and respond to changing regulatory and market conditions.

**Status of Implementation:** The Ministry of Finance is launching the study examining the optimal regulatory and supervisory framework for the microfinance sector with explicit detail on potential sectoral structure, including legal reforms (estimated completion date: March 2015). Significant preparatory work has been completed and the study implementation is set to begin September 2015. The study, as well as the new structure of the FNAM, will include suggested capacity building measures for the FNAM, which will be implemented following the finalization of the study.

**Component 2: Strengthening the market infrastructure, product innovation and funding sources for microfinance**

This component focuses on activities aimed at building common platforms improving the efficiency and effectiveness of microcredit associations, building market infrastructure in support of microenterprises, and promoting the strengthening and diversification of funding.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>(US$ 1.5 million)</td>
</tr>
</tbody>
</table>
**Sub-component 2.1:** Promoting innovative common platforms and new products for MFI's. This sub-component will support the development of common platforms, systems and products aimed at improving the efficiency and effectiveness of MFI's.

**Status of Implementation:** The team is working on the terms of reference for the e-learning platform for MFI's and is in process of selecting the consultant for the activity.

**Sub-component 2.2:** Building market infrastructure for micro entrepreneurs: This sub-component will support the development of market infrastructure aimed at facilitating microenterprises' access to markets.

**Status of Implementation:** The team has launched a study on the 'commercialization of products for micro entrepreneurs', which aim to help micro entrepreneurs to better market their products. The consultant was selected and the contract was signed in June 2015. The implementation of the recommendations of the study will follow in a second phase.

**Sub-component 2.3:** Strengthen and diversify funding sources: This sub-component aims to support activities which would inform policymakers, regulators, supervisors and MFI's on how the microfinance sector can diversify and strengthen its funding sources to ensure its financial sustainability over the medium and longer term.

**Status of Implementation:** A report on the interest rate regulations for finance companies will be part of the technical note which is currently being prepared under sub-component 1.2. (Strengthening of the legal, regulatory and governance framework of the microfinance sector)

**Component 3: Integrating Microfinance into a national financial inclusion strategy**

This component aims to integrate the national microfinance roadmap into a wider, comprehensive national financial inclusion strategy. In a first step, this component aims to conduct a cross-cutting stocktaking exercise of all previous and ongoing activities aimed at promoting financial inclusion, putting the microfinance sector in a larger financial sector development context. This component will also finance the design and roll out of financial literacy programs for low income households and microenterprises, the key beneficiaries of microfinance, within the framework of the proposed ‘foundation for financial education’, which is in the process of being rolled out under the leadership of BAM. This component will also finance studies and impact evaluations assessing the effectiveness of public policies and private initiatives aimed at promoting financial inclusion, as well as the impact of financial inclusion, including microfinance, on employment creation, poverty reduction and growth. In a second phase, this component aims to build on the findings of the aforementioned activities to develop a comprehensive national financial inclusion strategy, to be developed in a structured consultative process with all key public and private sector stakeholders, and develop an action plan with specific objectives and targets to achieve the aims of the strategy, as well as a clearly defined M&E framework to measure progress.

**Previous Rating:** Satisfactory  
**Current Rating:** Satisfactory  
**Cost (US$):** (US$ 1.5 million)

**Integrating Microfinance Into a National Financial Inclusion Strategy:**
- In part due to extensive engagement/facilitation by the WB team on the most recent supervision mission, both the Ministry of Finance and the Central Bank signaled strong commitment to advance with the preparations for the national financial inclusion strategy. The Bank team is preparing a technical note as part of FY15 Morocco Financial Sector Assessment Program (FSAP), which was presented to the authorities in April 2015. Strategy development is being launched in parallel: A consultant was selected in June 2015 to lead the efforts on this task. This strategy is being developed in line with the WBG's 2020 universal financial access initiative (Morocco, Yemen, and Egypt are priority countries for the MENA region).

**Scaling up of Financial Capability/Education Initiatives:**
- Financial capability and education initiatives under component three of the project are being scaled up, mainly through cooperation with the national financial education foundation. These activities include the development of national financial education curriculum in conjunction with Ministry of Education, development of edutainment programs, direct support to micro entrepreneurs via value chain integration, and global best practice knowledge sharing. A number of activities are expected to commence within the next coming months.

**Development of an impact evaluation department within the PIU**
The PIU has advanced in a satisfactory manner on final preparatory work for establishing a unit within the Ministry of Finance and the Economy (will be housed within the 'Division du Crédit de la Direction du Trésor et des Finances Extérieures'). The objective of this department will be to oversee monitoring and evaluation of financial inclusion programs in Morocco as well as build the capacity and infrastructure for monitoring and evaluation within the Ministry of Finance. The PIU has selected a consultant in June 2015 who will start working in September to launch this activity.
### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a):</td>
<td>4,900,000</td>
<td>0</td>
<td>4,900,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>4,900,000</td>
<td>0</td>
<td>4,900,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>491,866</td>
<td>0</td>
<td>491,866</td>
</tr>
</tbody>
</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>491,866</td>
<td>0</td>
<td>491,866</td>
</tr>
<tr>
<td>2015</td>
<td>514,067</td>
<td>514,067</td>
<td>1,028,134</td>
</tr>
<tr>
<td>2016</td>
<td>800,000</td>
<td>800,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>2017</td>
<td>800,000</td>
<td>800,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>2018</td>
<td>100,000</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>302,850</td>
<td>357,150</td>
<td>660,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

**Project Development Objective (PDO):** The project objective is to promote access to finance to low income households and micro and small enterprises through the promotion of a sustainable and inclusive microfinance sector.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline (Dec 2012)</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> % of adults (and women) with an account at a formal financial institution, including low income households</td>
<td>Number (%) ; number women (% women)</td>
<td>12,870,000 (39%) ; 4,544,100 (27%)</td>
<td>Aug 2013 – Jul 2014</td>
<td>F</td>
<td>13,530,000 (41%) ; 5,217,300 (31%)</td>
<td>F</td>
<td>14,520,000 (44%) ; 5,385,600 (32%)</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Outstanding Microfinance Loan Portfolio</td>
<td>USD mn</td>
<td>550</td>
<td>Aug 2013 – Jul 2014</td>
<td>F</td>
<td>560</td>
<td>F</td>
<td>570</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Number of active loan accounts - Microfinance</td>
<td>Number</td>
<td>804,000</td>
<td>Aug 2013 – Jul 2014</td>
<td>F</td>
<td>830,000</td>
<td>F</td>
<td>900,000</td>
</tr>
</tbody>
</table>
## Intermediate Results

**Intermediate Result (Component One): Strengthening the institutional, legal, regulatory, tax and governance framework for microfinance**

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Regulatory studies completed</th>
<th>Number</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>F</th>
<th>A</th>
<th>PMU (MoEF)</th>
<th>PMU (MoEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>0</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>F</td>
<td>A</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>Annually</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Two: Number of operational and regulatory initiatives implemented by BAM and other key stakeholders**

<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: Number of operational and regulatory initiatives implemented by BAM and other key stakeholders</th>
<th>Number</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>F</th>
<th>A</th>
<th>PMU (MoEF)</th>
<th>PMU (MoEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>0</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>F</td>
<td>A</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
</tr>
<tr>
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<td>0</td>
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<td>0</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>Annually</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Two): Strengthening the market infrastructure, product innovation and funding sources for microfinance**

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Number of alternative microfinance products developed and piloted (e.g. Islamic finance, mobile phone banking, housing)</th>
<th>Number</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>F</th>
<th>A</th>
<th>PMU (MoEF)</th>
<th>PMU (MoEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>0</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>F</td>
<td>A</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Quarterly</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: Number of trainings to micro entrepreneurs delivered</th>
<th>Number</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>F</th>
<th>A</th>
<th>PMU (MoEF)</th>
<th>PMU (MoEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>0</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>A</td>
<td>F</td>
<td>F</td>
<td>A</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
</tr>
<tr>
<td>0</td>
<td>500</td>
<td>1570</td>
<td>700</td>
<td>2260 (through the CM6</td>
<td>900</td>
<td>1100</td>
<td>Semi-Annually</td>
<td>PMU (MoEF)</td>
<td>PMU (MoEF)</td>
<td></td>
</tr>
</tbody>
</table>

---

**Indicator Four: Portfolio at Risk - Microfinance**

<table>
<thead>
<tr>
<th>Percent</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>F</th>
<th>Se</th>
<th>BAM</th>
<th>PMU (MoEF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.7%</td>
<td>F</td>
<td>--</td>
<td>6.74</td>
<td>0.6%</td>
<td>3.77</td>
<td>6.5%</td>
<td>F</td>
<td>6.4%</td>
<td>Semi-Annually</td>
</tr>
</tbody>
</table>
### Intermediate Result (Component Three): Integrating Microfinance into a national financial inclusion strategy

**Intermediate Result indicator One:** Financial inclusion stock-taking completed

<table>
<thead>
<tr>
<th>Binary (Yes/No)</th>
<th>No</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>No</th>
<th>F</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td>F</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Two:** Evaluation completed of existing financial inclusion measures

<table>
<thead>
<tr>
<th>Binary (Yes/No)</th>
<th>No</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>A</th>
<th>F</th>
<th>No</th>
<th>F</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>F</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>F</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Three:** Number of beneficiaries receiving financial literacy training

<table>
<thead>
<tr>
<th>Number</th>
<th>6,000 (4,099 from CM6; 2,000 estimates from BAM)</th>
<th>F</th>
<th>8,000</th>
<th>A</th>
<th>10,000</th>
<th>A</th>
<th>1384 (through the CM6 in 2014)</th>
<th>F</th>
<th>12,000</th>
<th>F</th>
<th>14,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8618</td>
<td></td>
<td></td>
<td></td>
<td>1384</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1384</td>
</tr>
</tbody>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
New Governance Framework Implementation Support Project

A. Basic Project Information

| Activity Name: New Governance framework Implementation support project |
|-------------------|------------------|
| Country Name: Morocco | Name of Implementation Support Agency(ies): World Bank |
| Name of ISA Project Leader: Fabian Seiderer | Email of ISA Project Leader: fseiderer@worldbank.org |
| Recipient Entity: Ministry for General Affairs and Governance | Name and Email of Recipient Entity Contact: Mr Jamal Echiguer, Project Director: echiguer@affaires-generales.gov.ma |
| Total Amount Approved by the Transition Fund (US$): 4,500,000 | Additional Funds Leveraged and Source(s), if any (US$): 300,000 from the MENA multi-donor Trust Fund |
| Steering Committee Approval Date: February 20, 2013 | Project Implementation Start Date: October 31, 2013 |
| Project Closing Date: March 31, 2018 |
| Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee) | Primary Pillar (select only one): Enhancing Economic Governance |
| Secondary Pillar(s) (select as many as applicable): | Inclusive Development and Job Creation Enhancing Economic Governance Choose an item. |
| Total Amount Disbursed (Direct and Indirect in US$): 1,189,595 |

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: To contribute to the strengthening of government transparency, accountability and public participation by supporting (i) the development and implementation of a public consultation policy and a law on petitions; (ii) the improvement of access to fiscal information and enhancement of performance orientation in budget management; and, (iii) the strengthening of fiscal decentralization.

Rating for progress towards achievement of objective: Moderately Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:

This inter-ministerial project is progressing towards the achievement of the PDO. Project implementation picked up over the last semester across all components, notably thanks to the strong involvement of the Secretary General of the Ministry of General Affairs and Governance (MAGG), the project’s Implementing Agency, as well as its Director for resource management. The Ministry beefed up the project’s procurement and financial management function with 2 additional public officials and strengthened the integration of the project management unit with its own resource management department. The ministry strengthened the cooperation with the 3 ministries involved in the project implementation, notably through a series of sector specific steering committees and the prioritization / updating of their respective work and procurement plans. Furthermore, the project held its first global steering committee on April 27, 2015.

This proactivity from the MAGG and the Bank helped boost the project’s implementation. At the end of the first semester 2015, the project’s commitment rate reached 57% and the disbursement rate increased to 26.4%.

Nevertheless, the project implementation is still suffering (i) from lengthy procurement and disbursement procedures, which combine the Country and the Bank’s procedures for procurement and direct payment; and (ii) high transaction costs resulting from the inter-ministerial nature of the project and cross-cutting governance reforms it supports.

Component 2, supporting fiscal transparency and performance budgeting and the project’s largest component is progressing well from an operational and financial point of view with the signature of a USD 1.36 million twinning contract with the French Ministry of Finance. Despite initial delays, Component 1, supporting the public consultation and petitions reforms is progressing both on the policy front and with the recruitment of the main expertise foreseen. Component 3 supporting fiscal decentralization is picking up now that the legal framework has been approved.

Key recommendations to strengthen project implementation:
- Streamline the procurement and payment processes;
- Continue the dialogue with line ministries on the reprioritization and consolidation of activities;
Organize a team building event with the 4 departments involved in project implementation in order to create an extended results oriented project team across ministries and maximize synergies;

- Strengthen the internal and external communication on the project;

- Develop a result monitoring and evaluation system;

C. Implementation Status of Components

Component 1: Strengthening Public Participation.

This component aims at contributing to strengthen public participation by supporting the development of a public consultation policy, an e-consultation platform, and a petitions law. The new Moroccan constitution strengthened the principles of public participation and introduced new rights for the citizen to be consulted and to present motions.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Modestly Satisfactory</td>
<td>730,000</td>
</tr>
</tbody>
</table>

Sub-component 1.1: Support to Ministry, to Civil society and to the National Dialogue on the new constitutional principles of citizen participation and to the participatory development of related consultation and petitions policies

Status of Implementation: This component has substantially picked up in the last semester thanks to (i) the adoption by the government of core public engagement policies, such as the organic law on public petitions (supported by the Hakama DPL), and (ii) the recruitment of the key international and local experts tasked with supporting the implementation of these policies. The project supported the National Dialogue on the citizens’ new constitutional rights and is now supporting the Ministry in the implementation of the National Dialogue’s key policy recommendations, regarding the citizen engagement policies on public consultation, on public petitions and legislative motions as well as the development of an e-participation platform to ensure broader access to all citizens and increased transparency and efficiency of their participation. These policies cover all public bodies, both at the national and local level, thus requiring large consultations and cooperation with the numerous stakeholders involved, including the Ministry of Interior. The national and international expertise foreseen has been recruited and 6 contracts have been signed over the last semester. It proved very difficult to find international French speaking experts and experienced local experts in these new policy areas and the tenders had to be re-launched and extended several times, despite large publicity. There have been no significant changes in budget allocation and activities, a part from the regrouping of some activities to reduce the transaction costs and speed up implementation.

Sub-component 1.2: Piloting of the new consultation policy in one ministry and one local government and capacity building of officials and CSOs

Status of Implementation: This activity is due to start later, once the policies have been adopted.

Sub-component 1.3: Development of a monitoring and evaluation system, including on-line consultations and user surveys.

Status of Implementation: An inter-ministerial working group has been set up for the development of an e-consultation platform, under the leadership and coordination of the Head of Government’s office and the Ministry in charge of relations with Parliament and civil society (MCRP) and with the involvement of the and with the Ministry in charge of Trade, Industry and ICT, who has the mandate of the e-government strategy. A concept note on the development of this e-participation platform has been validated by the MCRP. This will be the basis for the development of the functional and technical specifications of the platform. There have been no significant changes in budget allocation and activities.

Component 2: Enhancing Efficiency and Accountability in the Use of Public Funds

This component supports key intertwined public financial management reforms aimed at strengthening the efficiency of public spending and accountability over its use. It will support the implementation of the performance based budgeting reform introduced by the new organic budget law, adopted in April 2015. The component will also support the implementation of the new procurement rules, following the adoption of a modified decree in December 2012, which extends the said rules to the local governments and certain administrative SoEs. Finally the component will also support external PFM diagnostics and technical assistance. It was agreed to finance the joint Public Expenditure and Financial Accountability (PEFA) diagnostic by the Bank, the EU and the AfDB and to reallocate the corresponding resources to the public investment management support and the MEF’s performance budgeting website foreseen in the project. There have been no other significant changes in budget allocation and activities.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>1,842,000</td>
</tr>
</tbody>
</table>

Sub-component 2.1: Support to the implementation of the performance budgeting reform through public sector expertise from OECD countries having implemented the same reform. It comprises support to (i) the design and steering of the budget reform and for the development of the new procedures and tools, (ii) the implementation of the performance-based approach in line ministries, and (iii) the development of a government wide performance monitoring and evaluating system and the revision of the financial management information systems.
**Status of Implementation:** The twinning contract (USD 1.36 million) between the Moroccan and the French ministry of finance has been signed on July 18, 2014 and its implementation is well underway, despite initial payment delays. High level public sector expertise has been provided to the MEF as well as to line ministries for the steering and implementation of the budget reform. The twinning’s first steering committee meeting was held on January 21, 2015 and the second one is scheduled on July 22, 2015. The support to the reform’s website is done through a separate IT tender/contract, which is at the approval stage. These additional costs are covered through the above mentioned budget reallocations within the component, without effect on the project and component’s objectives and results agreement.

**Sub-component 2.2:** Training and capacity building for the implementation of the new public procurement rules.

**Status of Implementation:** An inter-ministerial working group, chaired by the Secretary General of the Government and including the Ministry of Finance, Governance and Interior has been set up and tasked with developing the training curricula on public procurement across the public sector. The Bank has supported the initial development of training curricula and the training of a first wave of trainers. Both will be leveraged by the project to support also the demand side, through training and capacity building to small and medium enterprise. The ToRs for this activity are being finalized. This cross-cutting activity as well as the similar one focusing on local governments (component 3) will be managed directly by the MAGG (implementing agency) to maximize synergies.

**Sub-component 2.3:** Public investment management (PIM) diagnostic and technical assistance

**Status of Implementation:** This task is foreseen in year 2, upon the results of the PEFA assessment

**Sub-component 2.4:** Public financial management assessment through an update of the 2009 PEFA.

**Status of Implementation:** This multi-donor activity has started in June 2015 and is directly being financed by the Bank, the EU and the AfDB, thus freeing up the USD 50 000 foreseen in the project. These resources have been reallocated to the above activities related to PIM and to the performance budgeting website.

**Component 3: Advancing Regionalization**

This component supports the implementation of Morocco’s new regionalization strategy, adopted in March 2011, as well as the new constitutional principles strengthening regional and local governments. This requires strengthening the capacities and financial management of local governments and revising the inter-governmental fiscal transfer and equalization system. Technical assistance, international knowledge transfer and capacity building will be provided to that effect.

<table>
<thead>
<tr>
<th>Previous Rating:</th>
<th>Satisfactory</th>
<th>Current Rating:</th>
<th>Moderately Satisfactory</th>
<th>Cost (US$):</th>
<th>768,800</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 3.1:</strong></td>
<td>Adapting the fiscal transfer and equalization system for local governments (LG), in accordance with the new constitution and the advanced regionalization strategy.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Status of Implementation:</strong></td>
<td>The new organic laws on local governments have been adopted by parliament in May 2015 and local elections are foreseen in September 2015. This new legal framework and the completion of the elections are a prerequisite to initiate the reform of the fiscal transfer and equalization system. In the meantime, the project has launched the tender to recruit an international expert to advice the Ministry of Interior on this reform. This activity is thus expected to start end of 2015/ beginning of 2016.</td>
<td></td>
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</tbody>
</table>

| **Sub-component 3.2:** | Capacity building for Local Government (LG) financial management, including on the new public procurement rules. |
| **Status of Implementation:** | As mentioned above for subcomponent 2.2, the training modules for the training of trainers on the new procurement rules have been developed. In parallel, the trainers for local governments and regional training facilities are being identified. This activity witnessed some delay due to a major reshuffle of the management at MoI as well due to inter-ministerial consultations on the scope. The tender process has now started. |

| **Sub-component 3.3:** | Strengthening the planning and performance contracting process in line with the enhanced role of regions |
| **Status of Implementation:** | This activity will start in 2016, once the new regional governments are in place. |

**D. Disbursements of Transition Fund Funds for Direct Project Activities**

<table>
<thead>
<tr>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>739,217</td>
<td>41,137</td>
<td>780,354</td>
</tr>
<tr>
<td>2015</td>
<td>167,894</td>
<td>200,000</td>
<td>367,894</td>
</tr>
<tr>
<td>2016</td>
<td>300,000</td>
<td>400,000</td>
<td>700,000</td>
</tr>
<tr>
<td>2017</td>
<td>450,000</td>
<td>530,000</td>
<td>980,000</td>
</tr>
<tr>
<td>2018</td>
<td>500,000</td>
<td>671,752</td>
<td>1,171,752</td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>241,347</td>
<td>258,653</td>
<td>500,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

#### Project Development Objective (PDO): The Project Development Objective is to contribute to the strengthening of government transparency, accountability and public participation by supporting (i) the development and implementation of a public consultation policy and a law on petitions; (ii) the improvement of access to fiscal information and enhancement of performance orientation in budget management; and, (iii) the strengthening of fiscal decentralization.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibili ty for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
</table>

| Indicator Two: Increased accountability of government over the use of public resources | Ranking on PEFA¹ performance indicators related to budget transparency (nº6), policy based budgeting (nº12) and external scrutiny (nº 26 and 27) | 2009 assessment: Indicator nº6 scored B, nº 12 : C, nº26: D, and nº27: B | The new 2015 PEFA methodology is being tested. The results framework will be | | | | | Once, by end of the project cycle | Morocco PEFA assessments | World Bank and client | Data on PEFA framework generated by World Bank PEFA assessments |

---

¹ Public Expenditure and Financial Accountability (PEFA) is a multi-donor diagnostic instrument, with 28 high level performance indicators measuring a country’s public financial management. Morocco was assessed in 2009 and the current budget reform should translate into better scores on budget transparency, link between policies and budget and external budget oversight (respectively indicators nº6, 12, 26 and 27). Indicators are ranked from A to D, D being the lowest score.
**Indicator Three:** Increased transparency of intergovernmental fiscal relations and local finances

<table>
<thead>
<tr>
<th>Revised accordingly</th>
<th>B</th>
<th>As above</th>
<th>B+</th>
<th>Once, by end of the project cycle</th>
<th>B+</th>
<th>Morocco PEFA assessments</th>
<th>World Bank and client</th>
<th>Data on PEFA framework generated by World Bank PEFA assessments</th>
</tr>
</thead>
</table>

**Intermediate Results**

**Intermediate Result (Component One):** Strengthening public participation

| Number of CSOs participating in consultation activities since and as a result of the National Dialogue | 250 CSO representatives (regional consultation in Kenitra on constitutional roles of CSOs) | 10 000 | 10 500 | 11 000 | 11 500 | Annual | Diagnostic survey will be built in the e-participation platform currently developed | MCRP | Report of the national dialogue. Participation data compiled through MCRP diagnostic surveys |
| Share of participation by gender using e-consultation processes in X sectors | NONE | 75% male; 25% female | 68% male; 32% female | 55% male; 45 % female | 55% male; 45% female | Annual | Participation measured through a survey | MCRP/MCINT | Data compiled through MCRP e-consultation platform |

**Intermediate Result (Component Two):** Enhancing Efficiency and Accountability in the use of Public Funds

| Number of proposals submitted by CSOs to MCRP for the development of public engagement framework | NONE | 0 | 50 | 150 | 200 | Annual | MCRP data | MCRP | An annual report on the number of proposals submitted by CSOs in the context of public consultation activities |
### Intermediate Result

**Indicator One: Strengthened budget transparency, policy based budgeting and external scrutiny**

- Ranking on PEFA performance indicators related to budget transparency (nº6), policy based budgeting (nº12) and external scrutiny (nº 26 and 27)
- The new 2015 PEFA methodology is being tested. The results framework will be revised accordingly
- Once, by end of the project cycle

<table>
<thead>
<tr>
<th>Indicator</th>
<th>n°6 scored</th>
<th>n° 12 :</th>
<th>n°26:</th>
<th>n°27:</th>
</tr>
</thead>
<tbody>
<tr>
<td>B, B+</td>
<td>C, B+</td>
<td>C, D</td>
<td>B</td>
<td></td>
</tr>
</tbody>
</table>

**Ranking on PEFA performance indicators related to budget transparency (nº6), policy based budgeting (nº12) and external scrutiny (nº 26 and 27)**

- n°6 scored B, n° 12 : C, n°26: D, and n°27: B
- n°6 scored B+, n° 12 : B, n°26: C, and n°27: B+
- n°6 scored B+, n° 12 : B, n°26: C, and n°27: B+

**Intermediate Result**

**Indicator Two: Improved budget execution rate**

- Budget execution within budget programs
- 2010: 67.3%  | 70%  | 72%  | 73%  | 75%  | Annual |
- 2012 ranking: 38  | 38  | 42  | 42  | Bi-annually |

**Budget execution within budget programs**

- 2010: 67.3%  | 70%  | 72%  | 73%  | 75%  | Annual |
- 2012 ranking: 38  | 38  | 42  | 42  | Bi-annually |

**Intermediate Result**

**Indicator Three: Strengthened budget transparency and access to information**

- Ranking of budget transparency on OBI index
- 2012 ranking: 38  | 38  | 42  | 42  | Bi-annually |

**Ranking of budget transparency on OBI index**

- 2012 ranking: 38  | 38  | 42  | 42  | Bi-annually |

**Intermediate Result (Component Three): Advancing Regionalization**

**Intermediate Result**

**Indicator One: Increased public accessibility of formal rules and regulations for fiscal transparency and equalization**

- Number of formal rules and regulations for fiscal transfers and equalization made available online
- Partial  | Partial  | Full  | Full  | Annual |
- Partial  | Partial  | Full  | Full  | Annual |

**Number of formal rules and regulations for fiscal transfers and equalization made available online**

- Partial  | Partial  | Full  | Full  | Annual |
- Partial  | Partial  | Full  | Full  | Annual |
<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: Training on the new procurement rules and on financial management</th>
<th>Cumulative number of trainers and officials trained (disaggregated by gender).</th>
<th>None</th>
<th>0</th>
<th>30 (12% women)</th>
<th>50 (15% women)</th>
<th>80 (20%)</th>
<th>Annual</th>
<th>Mol, local governments</th>
<th>Mol, local government s</th>
<th>Attendance sheets of trainings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Three: Strengthened competition and value for money in procurement</td>
<td>Ranking in PEFA index on competition and value for money in procurement (PI-19)</td>
<td>PI-19: B</td>
<td>B</td>
<td>B</td>
<td>A</td>
<td>Once, by end of project cycle</td>
<td>Morocco PEFA assessments</td>
<td>World bank and client</td>
<td>Public procurement of local governments has improved as evidenced by a higher PEFA ranking</td>
<td></td>
</tr>
<tr>
<td>Intermediate Result indicator Four: Improved fiscal reporting by local governments</td>
<td>Budget information from local governments are available in real time through GID</td>
<td>80% 1000</td>
<td>95% 1187</td>
<td>100% 1250</td>
<td>100% 1250</td>
<td>100% 1250</td>
<td>Annual</td>
<td>Mol local budget directorate assessment</td>
<td>Mol local budget directorate</td>
<td>A greater number of local governments are using the integrated information system GID and reporting their fiscal data in real time.</td>
</tr>
</tbody>
</table>
# Virtual Market Places for the Development of Export SMEs: Morocco Activities

## A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Development of SMEs Exports through Virtual Market Places (Morocco Activities)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Morocco (this is a regional project that includes Tunisia and Jordan)</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> Laurent Gonne</td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> World Bank Executed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Amount Approved by the Transition Fund (US$): 1,000,000</th>
<th>Additional Funds Leveraged and Source(s), if any (US$): 0</th>
<th>Total Amount Disbursed (Direct and Indirect in US$): 307,506</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steering Committee Approval Date:</strong> 11 February 2014</td>
<td><strong>Project Implementation Start Date:</strong> May 26, 2014 (date signature contract with International Trade Center, implementation partner).</td>
<td><strong>Project Closing Date:</strong> December 30, 2016.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</th>
<th><strong>Primary Pillar (select only one):</strong> Inclusive Development and Job Creation</th>
<th><strong>Secondary Pillar(s) (select as many as applicable):</strong> Competitiveness and Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

## B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** This is a pilot project aimed at a) increasing SMEs exports through Virtual Market Places and b) supporting institutional reforms to create an enabling environment for e-commerce.

<table>
<thead>
<tr>
<th>Rating for progress towards achievement of objective:</th>
<th>Satisfactory.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating for overall implementation progress:</td>
<td>Satisfactory.</td>
</tr>
</tbody>
</table>

**Brief Summary of Project Implementation Status:**

The launch of the project in Morocco was delayed due to the processes of preparing a Partnership Agreement between the Ministry and ITC. The signing of the agreement was a prerequisite for the launch of activities. The project was launched in Morocco in 14 January 2015.

The delay is estimated to be of one month and the team is speeding up the implementation to ensure the timely achievement of the main milestones.

**Summary highlights:**
- training materials developed and customized
- 2 training workshops for export advisors delivered in March
- 36 Export Advisors (EAs) trained from which 20, that passed the training test, were hired
- 66 SMEs submitted their application among them 40 SMEs were selected and assigned to
- Partnerships with some VMP established

No major risks jeopardize the outlook. There is satisfactory level of engagement from our main partners.
### C. Implementation Status of Components

#### Component 1: Institutional Reform Component

It is important that governments adopt policies, laws, and incentives that focus on promoting trust and confidence among e-commerce participants and developing a national framework that is compatible with international norms on e-commerce. This component aims at supporting current discussions and to introduce policy and regulatory changes. This component will support the creation of an inter-ministerial committee with private sector participations, analytical and diagnostic studies with the objective of concretizing reforms in the enabling environment for e-commerce.

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item.</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 100,000</th>
</tr>
</thead>
</table>

The project is supporting the set-up of an inter-ministerial committee based on the public-private partnership and bringing together representatives from key institutions in the public and the private sector dealing with e-commerce issues. To help the committee develop its action plan, the Ministry of Foreign Trade requested ITC to undertake an analytical study with the objective of initiating concrete reforms and create conducive environment for e-commerce.

As a result of a meeting organized with key stakeholders supporting e-commerce in Morocco, it was agreed to design a roadmap to develop the sector. In this context, ITC initiated a feasibility study as a basis to designing the roadmap and the action plan for the e-commerce committee in Morocco.

Several institutions including the Customs department, Maroc Export, ASMEX, Postal services, Logistics among others are being consulted. The report is expected to be completed by end August 2015 to be shared with all stakeholders for validation.

#### Component 2: Capacity Building Program

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item.</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 445,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 2.1:</strong> Capacity Building Program - The sub-component will cover the cost of the design and the delivery of a training program that would enable country partners to fully understand the methods, techniques and dynamics of VMPs to maximize the opportunities they offer to increase export and diversify markets.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status of Implementation: Satisfactory.**

The existing ITC training material related to online marketing and e-commerce was upgraded and customized to fit the needs of Advisors and SMEs in Morocco. The training material covers the following items: e-commerce value chain: challenges and solutions for logistics, e-payments, risk mitigation, client management, and after sale service. It also included description of Virtual Market Places and modalities/conditions to register to enable advisors to coach selected SMEs in these technical aspects. In addition, advisors were exposed to best practices related to how to create an attractive and sales oriented e-shop.

Two consecutive trainings were organized for e-commerce advisors in Casablanca from 18 to 20 and 23 to 25 March 2015. A total of 35 advisors took the training out of which 23 passed the final evaluation. 20 e-commerce advisors are currently being recruited by the VMP programme to work with SMEs.

Training material that will be used by the EA for coaching of the SMEs was developed and disseminated among the EAs.

**Sub-component 2.2:** Registration and Coaching of SMEs - Along with the outreach phase of the project, beneficiary SMEs will be registered in one to three different VMPs, coached on how to make the best use of their presence on these VMPs and coached on how to concretely deal with the inquiries coming from the first potential buyers through the VMPs.
**Status of Implementation:** Satisfactory.

Call for proposals were launched in January 2015. To date, more than 66 SMEs have expressed interest in benefitting from the VMP programme. The selection process and criteria were defined to carefully ensure that the most promising SMEs are identified and are strongly motivated to join. The process ensured that the selected group is balanced in terms of company size, gender, products/services, and distribution across different regions in the country. The list of SMEs is annexed to this report.

A shortlist of SMEs was prepared based on the programme criteria and allocated to the advisors for coaching. The SMEs will be distributed among the 20 EAs.

During the last quarter of the year, and based on the results of second promotion campaign, a second group of SMEs will be selected and distributed among the EAs.

---

**Component 3: Partnerships, Business Intelligence and Certification**

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 340,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 3.1:</strong> Partnerships with Virtual Market Places: To ensure the best use of the VMPs, certain high-performing/potential firms will be offered premium accounts in VMPs so they gain greater visibility from potential clients. This sub-component will cover the expenses related to the subscription of these premium accounts. To ensure the best use of the VMPs, some high-performing/firms will be offered premium accounts in VMPs so they gain greater visibility from potential clients and will serve as a role model for others.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status of Implementation:** The project team initiated contact with several VMPs and discussed modalities of partnership to ensure customized support to selected SMEs.

The discussions helped define the framework for collaboration. Implementation of partnership arrangement is being discussed with AliBaba, eBay, LittleMajlis (LittleMajlis.com), Souq.com, MarkaVIP.com.

A contract with Tradekey is in place to help an initial group of 8 companies. Tradekey was selected because it connects traders with global whole sellers, buyers, importers & exporters, manufacturers and distributors in over 240 countries with a special focus on Asia and the Middle East, markets that are of interest to selected companies.

Discussions are progressing with Alibaba, Etsy, Freelancer.

**Sub-component 3.2:** Business Intelligence Development: Furthermore, the project will benefit from statistics on users, accesses and transactions which may allow for a comparative evaluation of SMEs under different VMPs.

**Status of Implementation:** Satisfactory.

This component will be implemented at a later stage of the project.

**Sub-component 3.3:** Certification.

**Status of Implementation:** Satisfactory.

This component will be implemented at a later stage of the project.

---

**Component 4: Project Management**

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 90,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 4.1:</strong> Project Management – This component will finance the PIUs at country level.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status of Implementation:** Satisfactory.

The terms of reference for the national coordinated have been finalized in agreement with partners in the field. The team is in the process of selecting the members of the PIU.
Sub-component 4.2: Impact Evaluation Assessment

Status of Implementation: The component will be implemented at the end of the project.

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct</td>
<td></td>
<td>975,000</td>
<td>975,000</td>
</tr>
<tr>
<td>Project Activities (a):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td></td>
<td>975,000</td>
<td>975,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td></td>
<td>282,506</td>
<td>282,506</td>
</tr>
</tbody>
</table>

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td>94,169</td>
<td>94,169</td>
</tr>
<tr>
<td>2015</td>
<td>188,337</td>
<td>94,169</td>
<td>282,506</td>
</tr>
<tr>
<td>2016</td>
<td>188,337</td>
<td>282,506</td>
<td>470,843</td>
</tr>
<tr>
<td>2017</td>
<td>127,482</td>
<td></td>
<td>127,482</td>
</tr>
<tr>
<td>Total</td>
<td>504,156</td>
<td>470,844</td>
<td>975,000</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,000</td>
<td>0</td>
<td>25,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO LEVEL RESULTS INDICATORS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator 1:</strong> Registered SMEs with at least one export transaction completed via VMPs</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>200</td>
<td>100</td>
<td>Quarterly</td>
<td>Statistics VMP platforms/Feedback from surveys/M&amp;E Database</td>
</tr>
<tr>
<td><strong>Indicator 2:</strong> Roadmap for the reform of the enabling business environment for e-commerce in each participating country and integrated in national commerce strategies</td>
<td>Yes/No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Bi-annual</td>
<td>Reporting by the Oversight Committee; Ministries of Trade</td>
</tr>
<tr>
<td><strong>Indicator 3:</strong> SMEs registered in VMPs</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>600</td>
<td></td>
<td>Quarterly</td>
<td>Captured by EAs and monitored through M&amp;E Database</td>
</tr>
</tbody>
</table>

**INTERMEDIATE OUTCOMES**

**COMPONENT I. INSTITUTIONAL REFORM**

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshops conducted</td>
<td>Number</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>Bi-annual</td>
<td>Reporting PIU-ITC</td>
</tr>
<tr>
<td>Analytical Work delivered on key e-commerce topics</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>Bi-annual</td>
<td>Reporting PIU – ITC</td>
</tr>
</tbody>
</table>
### COMPONENT II. EXPORT MARKETS ACCESSED THROUGH VMPs

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Baseline</strong></td>
<td><strong>Cumulative</strong></td>
<td><strong>Target</strong></td>
<td><strong>Values</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>May 2014 – Apr 2015</strong></td>
<td><strong>May 2015 – Apr 2016</strong></td>
<td><strong>May 2016 – Dec 2016</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export Advisors Trained</td>
<td>Number</td>
<td>0</td>
<td>36</td>
<td>100</td>
<td>0</td>
<td>Bi-annual</td>
<td>Reporting PIU-ITC</td>
</tr>
<tr>
<td>Export Advisors Certified</td>
<td>Percent</td>
<td>0</td>
<td>55%</td>
<td>90%</td>
<td>0</td>
<td>Quarterly</td>
<td>Training provider assesses performance</td>
</tr>
</tbody>
</table>

### COMPONENT III. VMP PARTNERSHIPS, CERTIFICATION AND BUSINESS INTELLIGENCE

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Baseline</strong></td>
<td><strong>Cumulative</strong></td>
<td><strong>Target</strong></td>
<td><strong>Values</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>May 2014 – Apr 2015</strong></td>
<td><strong>May 2015 – Apr 2016</strong></td>
<td><strong>May 2016 – Dec 2017</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training program for TSIs delivered (# activities)</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Quarterly</td>
<td>M&amp;E Database</td>
</tr>
<tr>
<td>Collaborative partnerships with VMPs</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>Quarterly</td>
<td>Project implementation reports</td>
</tr>
<tr>
<td>-----------------------------------</td>
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<td>---</td>
<td>----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Newsletters published by TSIs to roll out the Competitive Intelligence Mechanism</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>50</td>
<td>Quarterly</td>
<td>PIU and RIA</td>
</tr>
<tr>
<td><strong>Indicators by Component</strong></td>
<td><strong>Unit</strong></td>
<td><strong>Baseline</strong></td>
<td><strong>Cumulative Target Values</strong></td>
<td><strong>Frequency</strong></td>
<td><strong>Data Source/Methodology</strong></td>
<td><strong>Responsibility for Data Collection</strong></td>
<td><strong>Description (Indicator Definition, etc)</strong></td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Premium Accounts awarded – Certifications</strong></td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>50</td>
<td>Quarterly</td>
<td>Project Implementation Reports M&amp;E Database and VMPs</td>
</tr>
<tr>
<td><strong>Assessment body created and operational</strong></td>
<td>Yes/No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Quarterly</td>
<td>Project Implementation Reports</td>
</tr>
</tbody>
</table>
A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Strengthening micro-entrepreneurship for disadvantaged youth (P144134)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Morocco</td>
</tr>
<tr>
<td>Name of ISA Project Leader: Gloria La Cava</td>
</tr>
<tr>
<td>Recipient Entity: MINISTRY OF ECONOMY AND FINANCE (TGR)-MOROCCO</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 5,500,000</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 20-Feb-2013</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
</tr>
<tr>
<td>Primary Pillar (select only one):</td>
</tr>
<tr>
<td>Secondary Pillar(s) (select as many as applicable):</td>
</tr>
<tr>
<td>Inclusive Development and Job Creation</td>
</tr>
<tr>
<td>Investing in Sustainable Growth</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The objective of the Project is to provide Beneficiaries in the Project Areas with access to micro-entrepreneurship development services.

"Beneficiary" means a disadvantaged man or woman between the ages of 18 and 29 who is aspiring to be or is an entrepreneur with secondary education or less, as selected pursuant to the provisions of the POM.

**Rating for progress towards achievement of objective:** Moderately Unsatisfactory

**Rating for overall implementation progress:** Moderately Unsatisfactory

**Brief Summary of Project Implementation Status:**

This project directly contributes to address one of the key measures of the Integrated National Youth Strategy, i.e. youth inclusion through self-employment. The project was successfully negotiated on June 11-12, 2013, the first Transition Fund grant to be negotiated with Moroccan counterparts. A Project Operations Manual received the World Bank’s no objection prior to negotiations and is currently being updated to reflect stronger additional accountability mechanisms. The grant agreement was signed on July 25th, 2013 and the condition for effectiveness, i.e. the establishment of a fully staffed Project Management Unit (PMU), was promptly met. The Project became effective on August 27th, 2013 and PMU started working as of September 1st, 2013.

The most recent World Bank supervision took place between May 3-15, 2015 to ensure disbursement blockages are resolved, project implementation can proceed, and training of project beneficiaries takes place at highest quality. The most recent Withdrawal Application by the Ministry of Economy and Finance (MEF) was submitted to the World Bank on May 11, 2015, the Special Account has been reactivated. Contractual commitments are almost 80 percent of the total grant amount which will further facilitate disbursements.

The latest mission found significant delays in the settlement of wages and travel expenses of the members of the PMU and services of a firm contract, as well as several implementing NGOs. These delays are primarily caused by the internal financial process of the Ministry of Youth and Sports (MYS). These delays will be addressed with urgency to avoid further impact on the implementation of the project. The mission also emphasized the rigorous application of
the procurement procedures to ensure the proper management of the project to facilitate timely honoring of commitments.

Moroccan representatives of the MYS emphasized that despite the administrative delays, the micro-entrepreneurship project financed by the Transition Fund has achieved good results, i.e. high contractual commitment; more than 6,000 youth have been registered for pre-training selection; of which more than 40 percent are already enrolled in the online monitoring platform; Regional Advisory Committees are formed in all project areas; and Capacity Building Training has been completed for Youth NGOs and is at 80 percent of Public Youth Professionals. In addition, 26 out of 65 local partnerships have already been created to facilitate access to finance for young micro-entrepreneurs in this project.

The World Bank has ensured ongoing supervision of the project including missions in November 2014, January 2015 and May 2015, in addition to weekly audio and video meetings with the PMU to provide overall implementation support, resolve fiduciary issues in a timely manner, and to provide advanced technical support for the monitoring and evaluation activities and the launch of the impact evaluation. As a result, the ITC platform for monitoring the project is operational and the baseline survey of the impact evaluation is being scheduled to commence in September in line with the next round of trainings.

The Project Development Objective rating has been downgraded to Moderately Unsatisfactory considering the low disbursements, weak financial management and procurement capacity and delays in implementation which were due to Moroccan internal bureaucratic procedures as well as changes in the Ministry of Youth and Sports and PMU staffing.

A fiduciary mission to supervise procurement and financial management was conducted in November 2014 and May 2015 with additional fiduciary training provided in February 2015 and June 2015. The fiduciary missions highlighted that despite a contractual commitment rate of 80%, disbursements are still below 15 percent, highlighting deficiencies in internal processes. Nevertheless, the project account is active and a larger Withdrawal Application is expected to be submitted by mid-August, covering the next tranche of payments to NGOs. With respect to staffing, the Procurement Specialist of the PMU resigned in April 2015 and the Project Coordinator has assumed the procurement responsibilities until a new Procurement Specialist is recruited. Given these weaknesses, the procurement rating of the project is considered "moderately unsatisfactory". Financial Management capacity of the project has deficiencies, especially with regard to: (i) effective implementation of the PMU to implement all planned project activities; and (ii) existing significant delays in payments and disbursement. Given these weaknesses, the Financial Management rating of the project is "moderately unsatisfactory".

More recently, the project was audited by the Inspecteur General de Finances. A provisional financial audit was issued on June 25, 2015 for the year 2014, in which the auditor issued an opinion without reservation indicating that overall internal control mechanisms did not present significant anomalies and that the financial reports are reliable. The report also pointed out certain weaknesses in the recording of compatibility and regularity of expenditures, and highlighted delays in project implementation. Recommendations for improvements, which have been shared with the new Minister of Youth and Sports, are being implemented with the support of the World Bank team.

### Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Integrated Micro-entrepreneurship Support for Disadvantaged Youth in the Project Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>This component provides a menu of non-financial support services to 5000 disadvantaged youth designed to facilitate the start-up and expansion of local youth-led micro-entrepreneurship. Aspiring and existing youth entrepreneurs can enroll in the program based on defined eligibility criteria. The component includes the following activities which are being implemented through contracts awarded to lead Moroccan NGOs (NGO Masters).</td>
</tr>
</tbody>
</table>

The PMU raised awareness and shared information about the project with regional delegations of the Ministry of Youth and Sports and private sector stakeholders. A total of nine meetings across Morocco took place by January 2014. It included 73 representatives of Youth Centers and Women’s Centers. Overall, eight regional meetings kicked
off the identification process of local needs and resources also in view of the set-up of the Regional Advisory Boards with members of relevant local institutions and private sector, as foreseen in the Project Operations Manual.

The PMU finalized a list of approximately 229 local youth facilities and 100 additional ones in case of need. These facilities were selected on the basis of equitable regional distribution, poverty criteria, gender balance, rural access, adequate capability of the physical infrastructure also in terms also of equipped rooms for trainings.

All key implementation agencies, i.e. the consulting firm and 14 civil society associations have been contracted. A training methodology for micro-entrepreneurs has been developed by a private sector firm. The training of trainers has been conducted. Prior to the training, mobilization and pre-identification phase (bootcamps) of ca. 10,000 youth has started.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>The 14 local associations have carried out local market assessments to identify the key sectors offering promising livelihood opportunities (as well as saturated markets), constraints of existing businesses and trades, and possibilities for creating new and upgrading existing micro-enterprises — for example, by fostering value chain integration or exploring stronger distribution channels. The assessments will guide the micro-entrepreneurship development support services, allowing them to specialize in strategic sectors and professions. The assessments will also allow identifying opportunities for non-traditional economic activities, especially for women, thereby broadening the scope for income-generating activities beyond the traditional sex-stereotypes.</td>
<td></td>
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</tr>
<tr>
<td>Status of Implementation: All 14 associations have completed the markets assessments.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Local implementing organizations (associations) have been contracted to provide a combination of skills needed to start and grow a business, including financial literacy (how to manage money and the use of financial services, such as savings and credit), behavioral and life skills (communication, goal setting and achievement, decision making, etc.), and business skills (market research, budgeting, etc.). As part of the training, the project will also orient beneficiaries in the start-up/expansion process, in particular by preparing them to apply to local microfinance institutions.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Status of Implementation: As indicated above, the training of trainers has been completed. Beneficiary trainings will begin after their selection through bootcamps. To date, all 14 implementing associations have started mobilization and pre-identification of young people whose total number at the Mission of 6435 young people (of which 47% are young women), representing over 60% of total project target. The associations are using local approaches for identification of beneficiaries differ between, some operating independently while other are mobilizing through Community-Based Organizations (CBOs) in poor neighborhoods or work with existing Youth Centers of the MYS (e.g. Maisons de Jeunes and Foys Feminins) to include highly vulnerable and at-risk youth.</td>
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</tbody>
</table>

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</tr>
</thead>
<tbody>
<tr>
<td>A sub-set of 1800 participants will be eligible for ongoing business development services from local implementing organizations to help them sustain and grow their business. This will include mentoring, access to physical space that can be used by for production and/or distribution, and assistance with access to markets.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: This activity is scheduled to begin in the last quarter of 2015.</td>
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</tbody>
</table>

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>This component provides all the auxiliary support services necessary to successfully implement Component 1, including product and curricula development, strengthening institutional capacity for service delivery, and capacity building to recipient agencies and local entities. The institutional capacity building has been provided through competitively selected international service providers (private sector firm) under the coordination of the recipient agency and the project management unit. The component includes the following activities which are being procured under a single contract.</td>
<td></td>
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</tbody>
</table>

|-----------------|--------------------------------------|--------------------------------------|-----------------------------------------------|
Based on national and international training curricula and other micro-enterprise support tools, minimum standards for the delivery of the services offered under Component 1 will be established and existing materials adapted to make them suitable for the project.

**Status of Implementation:** Development of training tools and curricula have been developed by the firm MSI, building on its global experience in this field. The training materials have been used and this activity is complete.

**Sub-component 2.2: Institutional capacity building for service delivery:**

Under this sub-component the project will also provide technical assistance and strategic advice to NGOs and youth-friendly services on the local level so that they can deliver the integrated services efficiently and effectively. This includes capacity building on the content, curricula, and methods of the training and post-creation support provided, strengthening organizational functions of local organizations (Budgeting, Reporting, Financing, etc.), and enhancing the capacity of civil servants in Youth and Women Centers managed by the MYS on outreach and programming.

**Status of Implementation:** This activity is complete and trained 221 youth professionals in December 2014 (i.e. 110% of the originally planned 200 personnel)

**Sub-component 2.3: Capacity building to recipient agency and local governments:**

Targeting public officials at central and provincial levels (especially civil servants of the MYS, other interested entities and provincial governments, as needed) the project will provide training on territorial planning and outreach of youth-focused programs, support the participation in specialized trainings and workshops on youth employment and entrepreneurship, and support the integration of lessons for future scaling up.

**Status of Implementation:** This activity has begun in December 2014 and so far 201 civil servants have been trained (i.e. 80% of the planned 250 personnel).

**Sub-component 2.4: Capacity building on Monitoring and Evaluation (M&E):**

The technical assistance will also cover training and coaching in M&E to ensure that quality data is collected as part of program implementation.

**Status of Implementation:** This activity begun in June 2014 and included a series of M&E training workshops for the PIU with training events in September 2014, January 2015, and May 2015. The PIU has developed strong capacity for project monitoring and is submitting high quality progress reports on a timely basis. The PIU is also benefiting from an ongoing training for effectively implementing Impact Evaluations.

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**Component 3: Project Management and Monitoring**

A Project Management Unit (PMU) is responsible for overall coordination and implementation of the project. Key responsibilities include national and regional coordination, procurement, financial management, monitoring and evaluation, communication and knowledge management, formalizing partnerships, as well as the selection and oversight of local implementing organizations and service providers. Gender balance is ensured within the PMU in order to facilitate the reaching of target values for young female beneficiaries. The project draws on several complementary monitoring and evaluation tools, including process and impact evaluation. The expenditures financed by this component primarily include consultant salaries for the PMU consultants, transportation and office operating costs, the Information Technology (IT) system for project monitoring, external audits and periodic assessments, as well as consultant fees and data collection for an impact evaluation.

**Previous Rating:** Moderately Satisfactory  
**Current Rating:** Moderately Unsatisfactory  
**Cost (US$):** (Total: US$ 1,276,000; TF: US$ 1,100,000)

**Sub-component 3.1: Project Management:**

The PMU is being staffed with one Project Coordinator, one Procurement Specialist, one Financial Management Specialist, one M&E Specialist, and two Regional Coordinators.

**Status of Implementation:** Due to internal turn-over, the Procurement Specialist position is currently re-filled as is one of the Regional Coordinator positions. In addition, a third Regional Coordinator position is being added to the PMU to ensure implementation can proceed in parallel through all 14 local implementing associations. The PMU is currently conducting activities at a good pace, to compensate for the accumulated delays in implementation.

**Sub-component 3.2: M&E:**

The Impact Evaluation design has been developed with World Bank support and an experienced international Research Team is leading the evaluation effort. The baseline survey has been re-scheduled to begin in September 2015 and will follow the treatment- and control-groups of youth over 12-18 months to establish causal effects on the impacts of this project. The ICT platform for the monitoring process has been developed and is operational since April 2015.
Status of Implementation: The M&E work is Moderately Unsatisfactory, given delays in the procurement of the survey firm for the baseline data collection of the Impact Evaluation. Otherwise, the PMU is submitting very regular and high-quality progress reports. The PMU is supported by a strong external impact evaluation research team which is implementing a rigorous impact evaluation strategy. The evaluation baseline survey is ready to be launched and additional funding has been mobilized to ensure the independence and quality of the evaluation.

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(x)</td>
<td>5,000,000</td>
<td>0</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

Amount Received from Trustee (b):

| (b)                                             | 5,000,000               | 0                                | 5,000,000   |

Actual Amount Disbursed (c):

| (c)                                             | 718,242                 | 0                                | 718,242     |

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2014</td>
<td>544,735.00</td>
<td>0.00</td>
<td>544,735.00</td>
</tr>
<tr>
<td>2015</td>
<td>566,076.63</td>
<td>566,076.63</td>
<td>1,132,153.26</td>
</tr>
<tr>
<td>2016</td>
<td>873,853.59</td>
<td>873,853.59</td>
<td>1,747,707.19</td>
</tr>
<tr>
<td>2017</td>
<td>525,706.63</td>
<td>504,962.49</td>
<td>1,030,672.12</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>422,107.60</td>
<td>17,392.40</td>
<td>500,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

Project Development Objective (PDO): The objective of the Project is to provide Beneficiaries in the Project Areas with access to micro-entrepreneurship development services. "Beneficiary" means a disadvantaged man or woman between the ages of 18 and 29 who is aspiring to be or is an entrepreneur with secondary education or less, as selected pursuant to the provisions of the POM.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Actuals</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> Direct project beneficiaries of which female (percent), who participate in the training in entrepreneurship</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5000</td>
<td>5000</td>
<td>Quarterly</td>
<td>Monitoring tool</td>
</tr>
<tr>
<td></td>
<td>Female percent</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>40%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Direct project beneficiaries of which female (percent), who successfully complete entrepreneurship training</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4500</td>
<td>4500</td>
<td>Quarterly</td>
<td>Monitoring tool</td>
</tr>
<tr>
<td></td>
<td>Female Percent</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>40%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Youth micro-entrepreneurs who receive post-creation follow-up support for at least 12 months (number), of which female (percentage).</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1080</td>
<td>1800</td>
<td>Quarterly</td>
<td>Monitoring tool</td>
</tr>
<tr>
<td></td>
<td>Female Percent</td>
<td>0%</td>
<td>-</td>
<td>-</td>
<td>35%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Intermediate Results

## Intermediate Result (Component 1): Youth beneficiaries receive quality entrepreneurship support services

<table>
<thead>
<tr>
<th>Direct project beneficiaries (number) of which female (percent), participating in pre-identification</th>
<th>Number (total)</th>
<th>Percentage (female)</th>
<th>Quarterly Monitoring Tool</th>
<th>Implementing organization</th>
<th>Participation in Bootcamp</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>2933</td>
<td>47.8%</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct project beneficiaries (number) of which female (percent), who complete a business plan</th>
<th>Number (total)</th>
<th>Percentage (female)</th>
<th>Quarterly Monitoring Tool</th>
<th>Implementing organization</th>
<th>Business Plan viability will be assessed (target: 90% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>4500</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participants who rate the quality of the training package as useful and very useful</th>
<th>Percentage</th>
<th>Quarterly Monitoring Tool, Evaluation Sheets</th>
<th>Implementing organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>80%</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Beneficiaries who evaluate the post-creation follow-up support as useful and very useful</th>
<th>Percentage</th>
<th>Quarterly Monitoring Tool, Evaluation Sheets</th>
<th>Implementing organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>80%</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>

## Intermediate Result (Component 2): Implementing organizations and public authorities participate in the institutional capacity building

<table>
<thead>
<tr>
<th>Trained Youth Professionals (number) at implementing NGOs/CBOs providing training and support to youth, of which female (%)</th>
<th>Number</th>
<th>Percentage (female)</th>
<th>Quarterly Monitoring Tool</th>
<th>Implementing organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0%</td>
<td>221</td>
<td>180</td>
<td>200</td>
</tr>
<tr>
<td>Public officials at the central and local level trained by the program</td>
<td>Number</td>
<td>Quarterly</td>
<td>Participation sheets</td>
<td>Regional coordinators</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>176</td>
<td>200</td>
<td>250</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component 3): Quality project management and M&E in place**

<table>
<thead>
<tr>
<th>Timely submission of monitoring reports</th>
<th>Yes/No</th>
<th>0</th>
<th>4</th>
<th>8</th>
<th>12</th>
<th>16</th>
<th>Quarterly</th>
<th>Project records</th>
<th>PMU</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact Evaluation carried out</th>
<th>Yes/No</th>
<th>Baseline survey</th>
<th>Evaluation and survey design</th>
<th>Baseline survey schedules; questionnaire tested</th>
<th>Follow-up Tracking</th>
<th>End of Project survey &amp; report</th>
<th>Baseline Survey before project start</th>
<th>Household Survey Data</th>
<th>Survey Firm, Principal Investigator</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
Tunisia Projects
Enhancing governance and economic growth in Tunisia: promoting transparency and integrity in public procurement

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Enhancing governance and economic growth in Tunisia: promoting transparency and integrity in public procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> TUNISIA</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> To be confirmed</td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Prime Ministry – Haute Instance de la Commande Publique</td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong> 2,528,900</td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> 0</td>
</tr>
<tr>
<td><strong>Steering Committee Approval Date:</strong> May 18, 2015</td>
</tr>
<tr>
<td><strong>Project Closing Date:</strong> August 31, 2018</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong> Primary Pillar (select only one): Enhancing Economic Governance</td>
</tr>
<tr>
<td><strong>Secondary Pillar(s) (select as many as applicable):</strong> Competitiveness and Integration</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:**
The purpose of this project is to support the Tunisian government's ongoing reforms to strengthen its public procurement system, increasing transparency and integrity in public procurement service delivery. The project is divided into three substantive components and a project management component. The main pillars maybe be summarized as follows:

i) Increase efficiency of procurement processing and streamline the information system;
ii) Capacity Building and strengthening of procurement workforce;
iii) Improve knowledge development and dissemination;
iv) Improve project management activities.

**Rating for progress towards achievement of objective:** Not rated.

**Rating for overall implementation progress:** Not rated.

**Brief Summary of Project Implementation Status**
The project was approved in May 2015 and its implementation phase is scheduled to start in September 2015. The project grant agreement is under preparation and will be scheduled for signature as soon as possible. In the meantime arrangements for the cash transfer request for this project are underway. The project is also the subject of discussions with Government in terms of setting up an implementation unit as well as the necessary conditions that need to be fulfilled before implementation can commence.

C. Implementation Status of Components

**Component 1: Increase efficiency of procurement processing and streamlining of the information system**
The objective is increase the support to the implementation of the new Procurement Reform Action Plan in order (a) increase efficiency in order to reduce delays in the implementation of contracting cycles; and (b) streamline the
information system to (i) strengthen transparency at all stages of the bidding process; and (ii) increase the integrity of and user confidence in the system.

### Sub-component 1.1: Assisting in implementing activities set forth in the Action Plan

**Status of Implementation:** The project has not started yet.

### Sub-component 1.2 Support of the "Conseil National de la Commande Publique" (CNDP) and the Haute Instance de la Commande Publique (HAICOP) to streamline the information system.

**Status of Implementation:** The project has not started yet.

### Component 2: Capacity building and strengthening of procurement workforce

The objective of this component is to build buyer’s capacity, reinforce the control and oversight entity on their fiduciary responsibility and improve professionalization of procurement.

### Sub-component 2.1: Reinforcing the professional skills of forty (40) procurement expert officials within the HAICOP and the bodies that control and/or audit public procurement.

**Status of Implementation:** The project has not started yet.

### Sub-component 2.2: Reinforce the professional skills of forty (40) procurement expert officials within the HAICOP, by providing on-site tailored training and certification provided by certified institutes.

**Status of Implementation:** The project has not started yet.

### Component 3 Knowledge development and dissemination

The object is to disseminate knowledge, create strong regional and sectorial synergies and harmonize procurement practices.

### Sub-component 3.1: Organize and promote peer learning and exchange of experiences among the HAICOP procurement officials through study trips to audit and control bodies of partner international organizations or countries.

**Status of Implementation:** The project has not started yet.

### Component 4: Project management

The object is to improve the management of the activities and the financial audit of funds

### Sub-component 4.1: Recruitment of a Project Management Officer to assist the HAICOP in the implementation of the Project activities and of an audit to conduct the project’s audit following the AfDB’s standards.

**Status of Implementation:** The project has not started yet.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount</td>
<td>0</td>
<td>2,298,900</td>
<td>2,298,900</td>
</tr>
<tr>
<td>for Direct</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Activities (a):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount Received</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>from Trustee (b):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Amount</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disbursed (c):</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>2016</td>
<td>500,000</td>
<td>500,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>500,000</td>
<td>500,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2018</td>
<td>278,900</td>
<td>200,000</td>
<td>478,900</td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>230,000</td>
<td>230,000</td>
</tr>
</tbody>
</table>
## G. Results Framework and Monitoring

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsiblity for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator 1.1:</strong> Procurement lead time</td>
<td>days</td>
<td>120</td>
<td><strong>July 2015-June 2016</strong></td>
<td><strong>July 2016-June 2017</strong></td>
<td><strong>July 2017-August 2018</strong></td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
<tr>
<td><strong>Indicator 1.2:</strong> Number of analytic report on public procurement processing published per year</td>
<td>report</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
<tr>
<td><strong>Indicator 2.1:</strong> Number of Ministries that have adopted the New Quality Standards for public procurement</td>
<td>Percentage</td>
<td>0</td>
<td>0%</td>
<td>50%</td>
<td>75%</td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
<tr>
<td><strong>Indicator 2.2:</strong> Percentage of Ministries with staff certified in public procurement</td>
<td>Percentage</td>
<td>5%</td>
<td>25%</td>
<td>40%</td>
<td>50%</td>
<td>Annual</td>
<td>Report by the HAICOP</td>
</tr>
<tr>
<td><strong>Intermediate Result (indicator 2.1):</strong> Number of staff trained in public procurement</td>
<td>Number</td>
<td>100</td>
<td>150</td>
<td>250</td>
<td>350</td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
<tr>
<td><strong>Intermediate Result (indicator 1.1):</strong> Number of activities (including procurement or legal documents) implemented under the Action Plan (intermediate result).</td>
<td>Number</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>19</td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
<tr>
<td><strong>Intermediate Result (indicator 1.2):</strong> Number of hits per day to access ONMP/HAICOP website</td>
<td>Number</td>
<td>850</td>
<td>950</td>
<td>1050</td>
<td>1200</td>
<td>Annual</td>
<td>Report by CNCP</td>
</tr>
<tr>
<td><strong>Intermediate Result (indicator 1.3):</strong> Development and setting up of a fully integrated</td>
<td>Unit</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td></td>
<td>Annual</td>
<td>Reports by the HAICOP/CNCP</td>
</tr>
</tbody>
</table>
### Immediate Result (indicator 2.1): Completion rate of tailored CIPS, IIA type of training on purchasing for public officials

<table>
<thead>
<tr>
<th>Percentage</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>100%</th>
<th>Annual Reports by the HAICOP/ CNCP</th>
<th>HAICOP/ CNCP</th>
<th>Action Plan</th>
</tr>
</thead>
</table>

### Intermediate Result (indicator 2.2): Number of public officials that completed certification programs in procurement auditing

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>0</th>
<th>15</th>
<th>25</th>
<th>Annual Reports by the HAICOP/ CNCP</th>
<th>HAICOP/ CNCP</th>
<th>Action Plan</th>
</tr>
</thead>
</table>

### Immediate Result (indicator 4.1): Number of HAICOP officials involved in regional peer learning and experience-sharing

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>0</th>
<th>05</th>
<th>10</th>
<th>Annual Reports by the HAICOP</th>
<th>HAICOP</th>
<th>HAICOP activity plan</th>
</tr>
</thead>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
Leading the Way Program: Developing Leadership Capacity

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Leading the Way Program: Pilot project for developing leadership capacity to support Tunisia’s transition (Phase I.1)</th>
<th>Name of Implementation Support Agency(ies): AFDB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: TUNISIA</td>
<td>Email of ISA Project Leader: <a href="mailto:y.ahmad@afdb.org">y.ahmad@afdb.org</a> <a href="mailto:a.mouaffak@afdb.org">a.mouaffak@afdb.org</a></td>
</tr>
<tr>
<td>Name of ISA Project Leader: Yasser Ahmad Amine Mouaffak</td>
<td>Name and Email of Recipient Entity Contact: Soufiane Abdeljaoued <a href="mailto:sf.abdeljaoued@yahoo.fr">sf.abdeljaoued@yahoo.fr</a></td>
</tr>
<tr>
<td>Recipient Entity: Government Prime Ministry</td>
<td>Project Coordinator, Government of Tunisia</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 1,600,000.00</td>
<td>Additional Funds Leveraged and Source(s), if any (US$): 0</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 1 April, 2013</td>
<td>Total Amount Disbursed (Direct and Indirect in US$): 140,000</td>
</tr>
<tr>
<td>Project Implementation Start Date: 01/01/2014</td>
<td>Project Closing Date: 30/06/2017</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td>Primary Pillar (select only one): Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s) (select as many as applicable): Enhancing Economic Governance Inclusive Development and Job Creation Competitiveness and Integration</td>
<td></td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The aim of the proposed program is to develop a critical mass of leadership capacity at decision-making levels of Tunisian society in order to lead the way to long-term institutional effectiveness, efficiency and success. To that end, it has been suggested to start with a pilot project.

The objectives of this pilot project are to:

i) Consolidate a consortium of international academic institutions, design program structure & content and develop a training platform for the successful delivery of a transformative leadership program for Tunisia;

ii) Build transformative leadership capacity in Tunisia to engage in political, economic and social reforms;

iii) Enhance Tunisia’s ability to manage its democratic transition and create new synergies between different stakeholders (public service, private sector and civil society) for a new momentum in the country;

iv) Connect Tunisia’s leaders with international mentors and experts to support managing the complexities of democratic transition;

v) Enhance Tunisia’s international competitiveness and integration in the global economy; and

vi) Lay down the foundations for a long term transformative leadership building capacity in Tunisia and potentially in the MENA region.

Rating for progress towards achievement of objective: Moderately Unsatisfactory

Rating for overall implementation progress: Unsatisfactory to date however the current authorities are very enthusiastic about the project and have put in measures to turn the project around quickly now.

Brief Summary of Project Implementation Status

The political crisis during 2013 has led to serious delays in implementing the project. To activate the process, the Bank has undertaken the following actions: (i) appoint a Project Leader; (ii) Draft and send to the Government a draft of Letter of Agreement (LoA) between the Bank (as ISA) and the Government; (iii) translation of the project document into French and its dissemination; (iv) formally notifying the Government of the availability of funds; and (v) meeting with the Tunisian Executive Director at the AfDB.

The grant agreement has been signed by the African Development Bank and the Government of Tunisia and that the members of the Project’s Steering Committee (PSC) have been officially named. The Committee, which is already operational, is headed by the Secretary of State for Governance and Administrative Reforms and includes representatives...
of the Prime Minister’s Office, the High Commission of Civil Service, the “Ecole National d’Administration” and the Ministry of Higher Education. Independent experts will be attending the PSC meetings on an ad-hoc basis.

The Project Implementation and Coordination Unit (PICU) has also been formally set-up and is fully operational. The terms of reference for the recruitment of the Consultant in charge of quality assurance and coordination have been finalized and will be approved shortly. The Unit head has also been appointed by the Government and the Bank is working with the Unit to recruit a project manager. This expert will help prepare the documentation for launching the recruitment process of the main consortium to do the training. The Government has confirmed its firm resolve to turn around the project’s poor implementation to date and the Bank has instituted regular meetings (weekly) to verify progress with the Unit head and ensure that progress remains on track. The Unit is also working on a work programme to monitor deliverables and check that all planned activities remain relevant.

The Steering Committee of the MENA Transition Fund approved the extension of the closing date of the project to June 30, 2017 due to the delay in starting the project activities and regarding the importance of starting such a project in the current period of transition in Tunisia. This request was approved by the steering Committee during its meeting in Berlin in May 2015. Moreover a first disbursement of US$140,000 has been processed in May 2015 and will be used to finance the program manager that is to be recruited.

C. Implementation Status of Components

Component 1: Consolidation of the program delivery consortium

The Transition Fund will provide necessary support to establish the formal technical arrangements and governance structure necessary for managing the Leading the Way program. This effort will include: (i) negotiation of the partnership agreement; (ii) establishment of the governance structure of the program; and (iii) determination of delivery arrangements: The way the curriculum will be delivered and the format, location and timing of the different activities will be defined.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
<td>(US$125,000) including 25,000 in country co-financing</td>
</tr>
</tbody>
</table>

Sub-component 1.1: Negotiation of the partnership agreement
Status of Implementation: In progress. Some partners are being identified by the Recipient Entity.

Sub-component 1.2: Establishment of the governance structure of the program
Status of Implementation: the progress will embark as soon as the sub-component 1.1 is concluded and the team will then recruited

Sub-component 1.3: Determination of delivery arrangements
Status of Implementation: NA

Component 2: Design of the program architecture (tiers 1 and 2) and development of the content and delivery platform for tier 1, partial development of content and delivery platform for tier 2. This component will include: (i) requirement gathering and analysis; (ii) Curriculum (Program Architecture) Design; (iii) Content Development; (iv) delivery platform; (v) consolidation; and (vi) participant assessment.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
<td>US$900,000 (including 100,000 in country co-financing)</td>
</tr>
</tbody>
</table>

Sub-component 2.1: Requirement gathering and analysis
Status of Implementation: The project hasn’t started yet

Sub-component 2.2: Curriculum (Program Architecture) Design
Status of Implementation: NA

Sub-component 2.3: Content Development
Status of Implementation: NA

Sub-component 2.4: delivery platform
Status of Implementation: NA

Sub-component 2.5: consolidation
Status of Implementation: NA

Sub-component 2.6: participant assessment
Status of Implementation: NA
**Component 3 Pilot delivery of the program to tier 1**
This component of the pilot project will focus on delivery of two pilot programs for Tier 1 and will include: (i) selection of program participants; (ii) program structure; (iii) evaluation and certification.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
<td>US$750,000 (including 100,000 in country co-financing and 150,000 in other co-financing)</td>
</tr>
</tbody>
</table>

**Sub-component 3.1:** Selection of program participants
**Status of Implementation:** NA

**Sub-component 3.2:** Program Structure
**Status of Implementation:** NA

**Sub-component 3.3:** Evaluation and Certification
**Status of Implementation:** NA

**Component 4: Evaluation of the pilot project.**
To be undertaken after the pilot programmes are delivered

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
<td>US$100,000 (including 50,000 in country co-financing)</td>
</tr>
</tbody>
</table>

**Sub-component 4.1:** Evaluation
**Status of Implementation:** NA

**Sub-component 4.2:** Impact Assessments
**Status of Implementation:** NA

**Sub-component 4.3:** The capstone celebration
**Status of Implementation:** NA

**D. Disbursements of Transition Fund Funds for Direct Project Activities**

| Approved Amount for Direct Project Activities (a): | 1,475,000 |
| Amount Received from Trustee (b): | 1,475,000 |
| Actual Amount Disbursed (c): | 140,000 |

<table>
<thead>
<tr>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(x)</td>
<td>(y)</td>
<td>1,475,000</td>
</tr>
</tbody>
</table>

**E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>140,000</td>
<td>300,000</td>
<td>440,000</td>
</tr>
<tr>
<td>2016</td>
<td>275,000</td>
<td>250,000</td>
<td>525,000</td>
</tr>
<tr>
<td>2017</td>
<td>510,000</td>
<td>0</td>
<td>510,000</td>
</tr>
</tbody>
</table>

**F. Disbursements of Funds for Indirect Costs (US$)**

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>125,000</td>
<td>125,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):** The development of leadership capacity and synergies between key stakeholders will lay the foundation for a new momentum in Tunisia.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibilit y for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 3: Number of participants successfully completing their training</td>
<td># of participants</td>
<td>0</td>
<td>0A</td>
<td>35F</td>
<td>70F</td>
<td>20F</td>
<td>Bi annually</td>
</tr>
<tr>
<td>Indicator 4: impact of national leadership</td>
<td>Surveys and Independent project evaluation</td>
<td>0</td>
<td>0A</td>
<td>1F</td>
<td>1F</td>
<td>1F</td>
<td>Mid and end of the project</td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

Intermediate Result (Component One): Consolidation of the program delivery consortium
<table>
<thead>
<tr>
<th>Indicator 1: Number of partnership agreements negotiated</th>
<th>#</th>
<th>0</th>
<th>0A</th>
<th>4F</th>
<th>4F</th>
<th>2F</th>
<th>Bi annually</th>
<th>Reports</th>
<th>Project implementation unit</th>
<th>Memorandum of understanding signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator 2: The governance structure of the program is established</td>
<td>1 institutional structure</td>
<td>0</td>
<td>0A</td>
<td>1F</td>
<td>1F</td>
<td>0F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>The governance structure is made available in a report</td>
</tr>
<tr>
<td>Indicator 3: Delivery arrangements are determined and available</td>
<td>1 institutional structure</td>
<td>0</td>
<td>0A</td>
<td>4F</td>
<td>4F</td>
<td>2F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>The governance structure is made available in a report</td>
</tr>
<tr>
<td>Indicator 1: Training needs are identified</td>
<td>1 detailed report</td>
<td>0</td>
<td>0A</td>
<td>1F</td>
<td>1F</td>
<td>1F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>The needs are presented in a report (available on the e portal)</td>
</tr>
<tr>
<td>Indicator 2: Curriculum modules are developed</td>
<td>Teaching modules</td>
<td>0</td>
<td>0A</td>
<td>6F</td>
<td>8F</td>
<td>4F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>The content of the teaching modules and is available on the e portal</td>
</tr>
<tr>
<td>Indicator 1: Number of senior officials and politicians trained</td>
<td>Number of people</td>
<td>0</td>
<td>0A</td>
<td>35F</td>
<td>70F</td>
<td>20F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>Quantitative – number of participants who have successfully completed the training</td>
</tr>
<tr>
<td>Indicator 2: % of women participating</td>
<td>% of participants</td>
<td>0</td>
<td>0%A</td>
<td>40%F</td>
<td>40%F</td>
<td>40%F</td>
<td>Bi annually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>% or female participants in the training sessions</td>
</tr>
<tr>
<td>Indicator 3: % of participants from central regions</td>
<td>% of participants</td>
<td>0</td>
<td>0%A</td>
<td>50%F</td>
<td>50%F</td>
<td>50%F</td>
<td>Biannually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>% or female participants in the training sessions</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------------------</td>
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<td>------</td>
<td>-----------</td>
<td>---------</td>
<td>----------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Indicator 4: score obtained from participants on quality</td>
<td>Average score</td>
<td>0</td>
<td>0A</td>
<td>6F</td>
<td>7F</td>
<td>7F</td>
<td>Biannually</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>Average Rating obtained from the participants at the end of the training session (1-10 scale; 10 being the highest score)</td>
</tr>
<tr>
<td>Indicator 1: independent impact assessment methodology developed</td>
<td>Methodology and Data Collection Plan (Surveys)</td>
<td>0</td>
<td>0A</td>
<td>1F</td>
<td>1F</td>
<td>1F</td>
<td>Once</td>
<td>Impact assessment methodology</td>
<td>Independent research team</td>
<td>Research team (Researchers, post-doctoral fellow and graduate students) will be hired to design an evaluation plan of the project including data collection plan, surveys, etc.</td>
</tr>
<tr>
<td>Indicator 2: Project impact assessment</td>
<td>Independent project evaluation</td>
<td>0</td>
<td>0A</td>
<td>1F</td>
<td>1F</td>
<td>1F</td>
<td>Mid and end of the program</td>
<td>Impact assessment</td>
<td>Independent research team</td>
<td>The same team as above will be responsible to carry on the assessment</td>
</tr>
</tbody>
</table>
and produce a mid and end of project impact assessment

<table>
<thead>
<tr>
<th>Indicator 2: Capstone celebration organized</th>
<th># of events</th>
<th>0</th>
<th>0A</th>
<th>1F</th>
<th>1F</th>
<th>1F</th>
<th>Bi annually</th>
<th>Reports</th>
<th>Project implementation unit</th>
<th>1 events</th>
</tr>
</thead>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
# Support for Holistic Social Business Movement

## A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Support for Holistic Social Business Movement in Tunisia</th>
<th>Name of Implementation Support Agency(ies): AfDB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Tunisia</td>
<td></td>
</tr>
<tr>
<td>Name of ISA Project Leader: Driss Belamine, Oussama Ben Abdelkrim and Justin Murara</td>
<td>Email of ISA Project Leader: <a href="mailto:d.belamine@afdb.org">d.belamine@afdb.org</a>, <a href="mailto:o.benabdellkarim@afdb.org">o.benabdellkarim@afdb.org</a>, <a href="mailto:j.murara@afdb.org">j.murara@afdb.org</a></td>
</tr>
<tr>
<td>Recipient Entity: Ministry of Employment and Vocational Training</td>
<td>Faiza Khallel, <a href="mailto:faiza.kallel@mfpe.gov.tn">faiza.kallel@mfpe.gov.tn</a>; Mariem Lissari, <a href="mailto:mariem.lissari@mfpe.gov.tn">mariem.lissari@mfpe.gov.tn</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 2,560,000</td>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 6/11/2014</td>
<td>Total Amount Disbursed (Direct and Indirect in US$): 0</td>
</tr>
<tr>
<td>Project Implementation Start Date: 3/2/2015</td>
<td>Project Closing Date: 3/1/2017</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
<td>Primary Pillar: Inclusive Development and Job Creation</td>
</tr>
<tr>
<td></td>
<td>Secondary Pillar(s): Investing in Sustainable Growth Enhancing Economic Governance</td>
</tr>
</tbody>
</table>

## B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** Job creation for inclusive growth through entrepreneurship and business development

**Rating for progress towards achievement of objective:** Not Applicable

**Rating for overall implementation progress:** Not Applicable

**Brief Summary of Project Implementation Status:**

Discussions between the Bank and the Government of Tunisia (GoT) are currently ongoing for an effective implementation of this project. While the GoT is still strongly supporting the principle of social and solidarity economy, the evolution of its reflections around the conceptualization of solidarity companies has made less and less likely a direct collaboration between this social business initiative and the Projet d'Entreprises Solidaires (PES), as it was initially thought in the grant proposal. This should imply a need for restructuring of the project, and the specific modalities of this possible restructuring are still to be discussed before submission to the Coordination Unit. If difficulties however persist, the cancellation option will be considered.

## C. Implementation Status of Components

### Component 1: Capacity building for key stakeholders in HSBM

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Not Applicable</th>
<th>Cost (US$): 51,250</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 1.1:</strong> Capacity building for the Government in policy orientation and initiative management to accommodate, coordinate and oversee the social business movement</td>
<td>Status of Implementation: Not started</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-component 1.2:</strong> Capacity building for other key stakeholders in supporting social businesses</td>
<td>Status of Implementation: Not started</td>
<td></td>
</tr>
</tbody>
</table>

### Component 2: Support for social business incubation and investment

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Not Applicable</th>
<th>Cost (US$): 1,716,875</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 2.1:</strong> Support for social businesses incubation</td>
<td>Status of Implementation: Not started</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-component 2.2:</strong> Support for social businesses investment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Component 3: Program management**

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Not Applicable</th>
<th>Cost (US$): 691,875</th>
</tr>
</thead>
</table>

**Sub-component 3.1: Establish PIU**
- **Status of Implementation:** Not started

**Sub-component 3.2: Introduce IT-based project management system**
- **Status of Implementation:** Not started

**Sub-component 3.3: Reporting**
- **Status of Implementation:** Not started

### D. Commitments and Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a): 743,125</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country-Execution (US$)</td>
<td>1,716,875</td>
<td>2,460,000</td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b): | 0 | 0 | 0 |

| Actual Amount Disbursed (c): | 0 | 0 | 0 |

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>738,000</td>
<td>492,000</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td>738,000</td>
<td>492,000</td>
</tr>
</tbody>
</table>

### F. Commitments and Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>100,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):** Development of Social Business and the relevant capacities of key stakeholders in Tunisia

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> # Social Business Invested</td>
<td>Number (by MENA Trust Fund)</td>
<td>4</td>
<td>14</td>
<td>24</td>
<td>Yearly</td>
<td>Social Business Investment Fund investment report</td>
<td>Number of businesses that have received investment from the Social Business Investment Fund and from the NFE.</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>50</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> # People (social business entrepreneurs, private sector, service providers, government officials, etc.) trained/coached or built capacity in HSBM</td>
<td>Number (by MENA Trust Fund)</td>
<td>40</td>
<td>100</td>
<td>170</td>
<td>Yearly</td>
<td>Number of people that have been trained or coached</td>
<td>Number of people trained or coached through technical assistance or capacity building by the HSBM.</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>130</td>
<td>330</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> # Direct jobs created / livelihoods improved</td>
<td>Number (by MENA Trust Fund)</td>
<td>25</td>
<td>175</td>
<td>325</td>
<td>Yearly</td>
<td>Number of direct beneficiaries through SBs portfolio management.</td>
<td>Number of direct job created and direct beneficiaries from the improvement of livelihood of the people employed by or having productive linkages with the SBs</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>1500</td>
<td>4500</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

---

2 NFE, National Fund for Employment, is the funder of the PES Project. It will be the resource of the GoT’s co-financing for the HSBM Program.
**Intermediate Result (Component One):** Capacity building for key stakeholders in HSBM

### Sub-component 1.1: Capacity building for government

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Number</th>
<th>Yearly</th>
<th>Number of government officials trained</th>
<th>PIU</th>
<th>Number of government officials trained on social business and relevant international best practices.</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: Trained government policy-making staff and steering committee members</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two: Policy Issues Paper</td>
<td>0</td>
<td></td>
<td>Preparation and issuance of the Policy Issues Paper</td>
<td>PIU</td>
<td>Issuance of the Policy Issues Paper</td>
</tr>
</tbody>
</table>

### Sub-component 1.2: Capacity building for other key stakeholders

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Number</th>
<th>Yearly</th>
<th>Number of other key stakeholders trained</th>
<th>PIU</th>
<th>Number of private sector companies, service providers, technical expertise groups, investor representatives, and financial institutions trained in workshops</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: # Private sector companies, service providers, technical expertise groups, investor representatives, and financial institutions trained in workshops on supporting social businesses</td>
<td>20</td>
<td>50</td>
<td>80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Two):** Support for social business incubation and investment

### Sub-component 2.1: Support for social business incubation
<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Number</th>
<th>68</th>
<th>268</th>
<th>568</th>
<th>Yearly</th>
<th>Number of business plans received by the Incubator.</th>
<th>PIU, by using Incubator’s report</th>
<th>Number of business plans received by the Social Business Incubator.</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: # Business plans received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two: # Social Businesses incubated</td>
<td>Number (by MENA Trust Fund)</td>
<td>5</td>
<td>20</td>
<td>35</td>
<td>Yearly</td>
<td>Number of SBs that have entered IP1</td>
<td>PIU, by using Incubator’s report</td>
<td>Preliminary assessment completed by Social Business Investment Fund.</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>80</td>
<td>200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three: # Social Business entrepreneurs trained and/or coached</td>
<td>Number (by MENA Trust Fund)</td>
<td>20</td>
<td>40</td>
<td>70</td>
<td>Yearly</td>
<td>Number of SB entrepreneurs, private sector, NGOs trained and coached</td>
<td>PIU, by using Incubator’s report</td>
<td>Number of key stakeholders trained and coached, including the SB entrepreneurs, private sector players (enterprises or investors), and NGOs dedicated to SB development.</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>100</td>
<td>250</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four: # Technical partnership established</td>
<td>Number</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>Yearly</td>
<td>Number of technical partnerships established</td>
<td>PIU, coordinating the Incubator</td>
<td>Number of technical partnerships established between the Incubator and service providers and technical expertise network</td>
</tr>
<tr>
<td>Four: # Quarterly progress and supervision report produced</td>
<td>Number</td>
<td>NA</td>
<td>4</td>
<td>8</td>
<td>Yearly</td>
<td>Quarterly progress and supervision report produced</td>
<td>the Incubator to submit to the PIU</td>
<td>Quarterly progress and supervision report produced</td>
</tr>
</tbody>
</table>

**Sub-component 2.2: Support for Social Business investment**
<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>Fund established and operational</th>
<th>See-fund resource available</th>
<th>Fund structured with fund management sought</th>
<th>Fund established and operational</th>
<th>Yearly</th>
<th>Social Business Fund structured, established and operational</th>
<th>PIU and AfDB</th>
<th>Fund established and operational</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One: Social Business Investment Fund established and operational</strong></td>
<td>Number (by MENA Trust Fund)</td>
<td>4</td>
<td>14</td>
<td>24</td>
<td>Yearly</td>
<td>Social Business Investment Fund report</td>
<td>PIU, by using SBIF’s report</td>
<td>Number of social businesses that have received investment from the Fund.</td>
</tr>
<tr>
<td><strong>Two: # Social Businesses invested</strong></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>50</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Three: # Direct jobs created / livelihoods improved</strong></td>
<td>Number (by MENA Trust Fund)</td>
<td>25</td>
<td>175</td>
<td>325</td>
<td>Yearly</td>
<td>Number of direct beneficiaries through SBs portfolio management.</td>
<td>PIU</td>
<td>Number of direct job created and direct beneficiaries from the improvement of livelihood of the people employed by or having productive linkages with the SBs</td>
</tr>
<tr>
<td></td>
<td>Number (by GoT co-financing)</td>
<td>0</td>
<td>1500</td>
<td>4500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Four: # Special financial products designed and applied for social business</strong></td>
<td>Number</td>
<td>1</td>
<td>3</td>
<td>6</td>
<td>Yearly</td>
<td>Number of different types of financial instruments designed and applied for social business</td>
<td>PIU, by using SBIF’s report</td>
<td>Number of different types of financial instruments designed and applied for social business (e.g., customized risk management, interest rate, equity/lending, etc.)</td>
</tr>
<tr>
<td><strong>Five: # Financial partnership developed</strong></td>
<td>Number</td>
<td>NA</td>
<td>1</td>
<td>2</td>
<td>Yearly</td>
<td>Number of financial partnership developed</td>
<td>PIU, by coordinating the SBIF</td>
<td>Number of financial partnership established between the SBIF and other investors</td>
</tr>
</tbody>
</table>
**Intermediate Result indicator Six: Quarterly portfolio management report produced**

<table>
<thead>
<tr>
<th>Number</th>
<th>NA</th>
<th>4</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly</td>
<td>Quarterly portfolio management report produced</td>
<td>PIU, by coordinating the SBIF</td>
<td>Quarterly portfolio management report produced</td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Seven: Annual performance report produced**

<table>
<thead>
<tr>
<th>Number</th>
<th>NA</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly</td>
<td>Annual performance report produced</td>
<td>PIU, by coordinating the SBIF</td>
<td>Annual performance report produced</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Three): Program management**

**Intermediate Result indicator One: Introduce IT-based project management system**

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>0</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly</td>
<td>Design, setup and utilization of IT-based project management system for the PIU and the Incubator</td>
<td>PIU</td>
<td>The M&amp;E report on the design, installation and functioning of the IT-based project management system.</td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Two: Quarterly M&E report produced**

<table>
<thead>
<tr>
<th>Number</th>
<th>4</th>
<th>8</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly</td>
<td>KPIs, Milestones and Financials of past quarter</td>
<td>PIU</td>
<td>Produced for quarters ending March, June and September.</td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Three: Annual auditing report**

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly</td>
<td>Financials audited by an external auditor.</td>
<td>PIU</td>
<td>Produced yearly for activities to December 31.</td>
</tr>
</tbody>
</table>

**Intermediate Result indicator Four: Program Completion Report**

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>0</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>By the completion of the Program</td>
<td>Project Completion Report</td>
<td>PIU</td>
<td>Produced to summarize the actual outputs of the Program and compare the actual with the planned to draw experience and lessons.</td>
</tr>
</tbody>
</table>
**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
Enhancing Domestic Resource Mobilisation through Effective Tax System Design and Improved Transparency and International Cooperation

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Enhancing Domestic Resource Mobilisation through Effective Tax System Design and Improved Transparency and International Cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name</td>
<td>The Ministry of Finance of TUNISIA (MoF)</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies)</td>
<td>AfDB, OECD</td>
</tr>
<tr>
<td>Name of ISA Project Leader</td>
<td>AfDB: Jacob Kolster, Regional Director M. Julien BANDIAKY, Team leader, Senior macroeconomist, OSGE.1 OECD: Andreas Schaal, Head of Sherpa Office Martine Milliet-Einbinder, Senior advisor, Centre for Tax Policy and Administration</td>
</tr>
<tr>
<td>Email of ISA Project Leader</td>
<td>AfDB: <a href="mailto:j.kolster@afdb.org">j.kolster@afdb.org</a> <a href="mailto:j.bandiaky@afdb.org">j.bandiaky@afdb.org</a> OECD: <a href="mailto:Andreas.Schaal@oecd.org">Andreas.Schaal@oecd.org</a> <a href="mailto:Martine.Milliet-Einbinder@oecd.org">Martine.Milliet-Einbinder@oecd.org</a></td>
</tr>
<tr>
<td>Recipient Entity</td>
<td>The Tunisian Ministry of Finance (MoF)</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contacts</td>
<td>Madame Habiba Louati Director General of the DGELF <a href="mailto:hlouati@finances.tn">hlouati@finances.tn</a> Telephone: +216 71 783 786 M Riadh Karoui Director General of the DGI <a href="mailto:Rdhkaroui@finances.tn">Rdhkaroui@finances.tn</a> <a href="mailto:rdhkaroui@gmail.com">rdhkaroui@gmail.com</a> +21671894033 (Ph.); +21671796938 (Fax)</td>
</tr>
<tr>
<td>Transition Fund:</td>
<td>USD 4,401,800 (of which USD 2,943,900 AfDB as ISA)</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$): co-financing from Tunisia: 288,200</td>
<td>Total Amount Disbursed (Direct and Indirect in US$): 1,209,796</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>5 December 2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>05/06/2014</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>30/12/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
<td>Primary Pillar (select only one): Enhancing Economic Governance Secondary Pillar(s) (select as many as applicable): Inclusive Development and Job Creation Competitiveness and Integration Investing in Sustainable Growth</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The project aims at assisting the government of Tunisia (GoT) to mobilise domestic resources to foster sustainable economic growth and income redistribution by improving the design of taxation policies and improving transparency and international cooperation.

| Rating for progress towards achievement of objective: | Satisfactory |
| Rating for overall implementation progress: | Moderately satisfactory |

Brief Summary of Project Implementation Status
- The implementation of project is well advanced on key components of the project. Progress has been made to improve transparency: The GoT is preparing another amendment to its Tax Code in the Finance Bill for 2016 to broaden access to bank information for exchange of information for tax purposes with its treaty
partners; this will also allow the GoT to obtain information on residents of Tunisia with foreign bank accounts. The GoT has also received technical assistance to be better prepared for the Global Forum on Transparency Phase 1 Review to start end of 2015 and to get ready for the Phase 2 Review which focuses on the implementation of exchange.

- Important progress has also been made to assist Tunisia to counteract Base Erosion and Profit Shifting (BEPS): The GoT has adhered to the OECD Declaration on BEPS [http://www.oecd.org/tax/C-MIN(2013)22-FINAL-ENG.pdf] and a 2 year action plan which is in the process of being delivered was designed by the OECD has been agreed with the GoT to tackle BEPS and transfer pricing related issues.

- The management of the project is going well. The OECD has a long established and very good relationship with its Tunisian counterparts who are closely associated to the design of proposals and capacity building activities.

- From the beginning of the programme, the OECD has established regular contacts with the other donors: IMF, the IFC, and the newly established USAID mission in Tunisia to take stock of each institution's activities related to Tunisian fiscal and administrative reform and coordinate the activities whenever needed.

Much work has been completed:

- **AfDB**
  (i) From October 2014 to March 2015, AfDB funded the participation of Tunisian tax officials to meetings, multilateral events/training organized by OECD as well as the secondments of two tax officials for 3 months at the OECD. A total number of twenty six (26) government officials have benefited from training. A training plan for the period April 2015 to November 2015 with a total cost of USD 323,560 $US has been approved by AfDB. The estimated number of beneficiaries is 128 government officials. The execution of this training plan is ongoing;
  (ii) The following three (3) expressions of interest for the hiring of individual consultants were advertised locally and internationally: one for the Establishment of the Exchange of Information Unit; one for the Establishment of the Tax Fraud Unit and; one for the elaboration of the strategy on risk management. The first EoI was unsuccessful as the four (4) individual consultants who responded to the advertisement were found unqualified by the evaluation committee established by the government. AfDB recommended the re advertisement of this position. The Bank is still waiting from the government the evaluation report for the other two positions which were advertised. In addition, AfDB advised the government to consult OECD to find suitable candidates who can apply for these positions. At least three (3) qualified individual consultants should be shortlisted for each position.

- **OECD**
  Much has been accomplished by the OECD with regards to components 1: Assistance with the implementation of the international standards on transparency and information exchange (EOI), 2: Addressing Base Erosion and Profit Shifting (BEPS) and 3: Tax policy analysis and planning:
  In particular The OECD made a diagnostic on BEPS risks in Tunisia and designed an action plan to tackle BEPS and transfer pricing related issues. The expected outcome of the OECD assistance on BEPS issues is a predictable business environment for multinational enterprises, in accordance with internationally agreed tax principles, to encourage cross border trade and investment.
  Senior Tunisians tax officials took part in relevant international tax policy discussions and benefited of exchanges on best practices in OECD meetings/seminars and OECD Global Fora. Tunisian authorities benefited from capacity building on issues related to exchange of information, base erosion and profit shifting, transfer pricing, and tax policy analysis. Two tax officials were seconded to the OECD for 3 months to progress work on VAT reform and Tunisian revenue statistics.

Some activities still remain in the early implementation stages since the consultants for the establishment of the EOI and Criminal Investigation Units and the consultant for the elaboration of the strategy on risk management have not yet been selected by the GoT. This impacts particularly activities 1.2, 3.1, and 4.1.

**C. Implementation Status of Components**
### Component 1: Assisting with the implementation of international tax standards on tax transparency and information exchange (EOI) on request

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>628,200</td>
</tr>
</tbody>
</table>

#### Sub-component 1.1: Reviewing the current framework and practices making recommendations and assisting with legislative and process change (OECD executed)

Tunisia is a member of the Global Forum on Transparency and Exchange of Information (GFTEI) [http://www.oecd.org/tax/transparency/abouttheglobalforum.htm](http://www.oecd.org/tax/transparency/abouttheglobalforum.htm) and as such committed to meet the international standard of EOI on request. The assistance is helping Tunisia to be in line with the standard but also helping Tunisia to benefit fully from EOI to counteract offshore tax avoidance (including BEPS) and evasion and to be in a position to move to the Global Forum Phase 2 Peer Review which will assess the implementation of the EOI framework. This activity will enable Tunisia to benefit fully from the progress made in counteracting offshore tax evasion and avoidance, enhance tax receipts, economic governance, improve the international visibility of the country and improve the trust of tax treaty partners and investors.

**Status of Implementation:** In the GFTEI Pre Phase 1 report based on the review of the Tunisian legislative framework the OECD recommended legislative change in order to have a broad access to bank information for tax purposes but in the present political context, Tunisia was only able to pass limited legislation. Tunisia will propose in its Finance bill for 2016 to allow broad access to bank information for EOI purposes in order to comply with the international standard of EOI on request. The Global Forum Secretariat has offered to assist with the drafting of the necessary amendments to the legislation and provide any assistance that may be needed.

#### Sub-component 1.2 Establishing an effective exchange of information unit

**Status of Implementation:** The OECD has started to provide the capacity building (EOI manuals, EOI monitoring software for the newly formed EOI Unit and is awaiting the selection of the Consultant tasked to build up the EOI Unit in order to put in place efficient EOI processes, EOI guidelines, and best practices to ensure tax confidentiality of EOI.

#### Sub-component 1.3: Exploiting the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Convention) (OECD executed)

**Status of Implementation:** The OECD organised a capacity building event in February 2015 for over 25 Senior officials of the DGELF, DGI staff working in EOI and tax collection and Heads of tax audit departments to promote the use of the Multilateral Convention on Mutual Administrative Assistance in Tax matters [http://www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf](http://www.oecd.org/ctp/exchange-of-tax-information/Status_of_convention.pdf) which is the most powerful tool for international cooperation with over 85 jurisdictions participating to it including Tunisia. The workshop aiming at raising the awareness of 25-30 tax auditors of large businesses about the potential of EOI to improve the efficiency of their international tax audits initially planned in April 2015 was postponed to September at the request of Tunisia.

#### Sub-component 1.4: Capacity building through staff assignment and participation at multilateral events (GoT executed)

**Status of Implementation:** The head of the newly created EOI Unit took part in the GFTEI competent authorities meeting in Mexico in 2014 and Rome in May 2015 where the challenges of the new international standard of automatic exchange were discussed as well as the role of competent authorities. Furthermore, Tunisia is still in the process of selecting tax officials to be seconded at the OECD to work on EOI issues and considering also the possibility of sending tax officials for training in the EOI Unit of major tax treaty partners.

### Component 2: Addressing Base Erosion and Profit Shifting (BEPS)

BEPS impacts on domestic resource mobilisation in all countries including developing countries but it extends beyond revenue and undermines the credibility of the tax system in the eyes of all taxpayers. The major sources of BEPS identified by the GoT are: wasteful tax incentives, excessive or unwarranted payments to MNE affiliates, and lack of availability of quality comparability data for transfer pricing purposes.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Satisfactory</td>
<td>Satisfactory</td>
<td>1,135,300</td>
</tr>
</tbody>
</table>

#### Sub-component 2.1: Reviewing Tunisia’s current laws, treaties and practices (OECD executed)
**Status of Implementation:** Using the BEPS diagnostic tool kit the OECD has reviewed the Tunisian legislative and regulatory framework as well as treaty network, identified the BEPS related risks in Tunisia and produced an Action Plan to better address BEPS issues and design a transfer pricing audit strategy. With more awareness on BEPS issues Tunisia decided on 10 March 2015 to adhere to the OECD BEPS Declaration [http://www.oecd.org/tax/C-MIN(2013)22-FINAL-ENG.pdf](http://www.oecd.org/tax/C-MIN(2013)22-FINAL-ENG.pdf) thus expressing strong support for the OECD work and the need to develop global solutions to tackle BEPS in a comprehensive manner. Tunisia now participates in the BEPS Project as an Invitee to the Committee on Fiscal Affairs and relevant Working Parties as well as in the Regional Network Meetings. Tunisia will have a leading role in the MENA region in tackling BEPS, especially in the development of toolkits to support the practical implementation of the measures to counter it. The OECD will assist Tunisia to implement the BEPS tool kits.

**Sub-component 2.2: Assistance to develop and implement a strategy on Transfer Pricing Rules (OECD executed)**

**Status of Implementation:** Building on the results of BEPS Transfer pricing diagnostic mission in December 2014 the OECD designed with the input of the DGELF and DGI a 2 year Action plan on Transfer Pricing and BEPS Capacity Development. This plan includes assistance in drafting legislation and guidelines as well as setting up a Transfer pricing team and capacity building. It will assist Tunisia to collect the right amount of tax from multinational enterprises, counter cross-border profit shifting and create a predictable investment climate. In the framework of the OECD day for investment [http://www.oecd.org/countries/tunisia/oecd-secretary-general-in-tunis-on-10-march-2015.htm](http://www.oecd.org/countries/tunisia/oecd-secretary-general-in-tunis-on-10-march-2015.htm) held in Tunis in March 2015 a workshop with over 40 participants was organised to establish a dialogue between government and business representatives and to discuss the BEPS diagnostic and Action plan to identify the issues encountered by the private sector. The Action Plan on BEPS and TP was included in the OECD Conceptual Note: Sustaining the National Development Plan 2016-2020 provided to the GoT after the OECD day.

**Sub-component 2.4: Capacity building through participation at multilateral events (GoT executed)**

**Status of implementation:** In January 2015 a 2 year capacity building programme for international tax auditors has been agreed with the Director general of Taxes. It provides for, in 2015, an intermediate course on Transfer Pricing (TP), a course on business restructuring and intangibles, and in 2016 a course on Advance pricing agreements, safe harbours, and mutual agreement procedure plus a train the trainers course. This will allow disseminating expertise throughout the DGI on TP issues and improve the transfer pricing audit capacity.

The first workshop took place in April 2015 to strengthen Tunisia’s capacity to protect the tax base against Aggressive Tax Planning of MNEs as well as profit shifting through transfer pricing or other means, while avoiding double taxation that would be detrimental to the overall business climate. A second intermediate course on TP is planned in September 2015.

**Component 3: Tax policy analysis and planning**

This component will help Tunisia to develop the necessary skills to effectively analyse their current and proposed tax reforms. Developing databases and analytical capabilities and systems for tax policy analysis will ensure that policy decisions are based on full information about their likely impacts.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately</td>
<td>Satisfactory</td>
<td>1,475,700</td>
</tr>
</tbody>
</table>

**Sub-component 3.1: Establishing a Fiscal Analysis Unit (GoT/OECD executed)**

**Status of Implementation:**

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The OECD has identified experts to provide the capacity building of the FAU and is still awaiting the selection of the Consultant by the GoT tasked to establish the FAU to provide guidance and make recommendations on the FAU process, organizational aspects etc. The OECD is working closely with USAID which is providing assistance on tax analysis and has designed a training plan for the staff of the FAU.

Sub-component 3.2: Developing internationally comparable revenue statistics data (OECD executed)

**Status of Implementation:** The OECD is assisting Tunisian authorities and other African partners towards the publication of the first edition of Revenue Statistics in Africa by early 2016. Tunisia is one of the first countries that joined this initiative. Having the same statistical indicators as OECD policy makers will enable Tunisian tax policymakers to better inform their decisions, improve their ability to mobilize domestic resources to support sustainable economic growth and address inequality. Work in the collection of Tunisian statistics according to the internationally agreed methodology has progressed thanks to the contribution of a senior Tunisian tax official based at the OECD for 3 months.

Sub-component 3.3: Review of indirect tax structures and assisting in implementation of necessary reforms (OECD executed)

**Status of Implementation:** The IMF and the OECD agreed that the OECD will focus primarily on assisting Tunisia with the legislative implementation of the VAT reform. The OECD is assisting in the reform of the Tunisian VAT Code and Tunisia is participating in the development of international standards for the design and operation of VAT. The OECD is planning a workshop in Tunis in Q3-Q4 2015 to discuss proposals for reform and to enhance the experience and know-how of Tunisian tax officials concerning best practices in VAT tax policy design.

Sub-component 3.4 Consensus-Building and Communication (GoT executed)

**Status of Implementation:** The OECD is liaising with USAID which is also proposing to work on consensus building and communication. Further steps will be coordinated with USAID in 2015.

Sub-component 3.5 Capacity building through staff assignment and participation at multilateral events (GoT executed)

**Status of Implementation:** The Tunisian tax official seconded from March to May 2015 to the OECD to work on VAT for 3 months participated in meetings/workshops on Tax and development; on Transfer Pricing; on the taxation of SMEs; and on the economic analysis of BEPS and BEPS countermeasures. He also attended a seminar on the taxation of the extractive sector. The Tunisian tax official seconded to the OECD from March to May 2015 to work on Revenue Statistics benefitted from training on analytics and statistics.

**Component 4: Tax Administration Reform, Managing and Improving Tax Compliance**

The objective is to strengthen tax compliance, including risk assessment and risk management, preventative techniques, strengthening audit capabilities, and the capacity of tax crime investigators to tackle illicit financial flows.

<table>
<thead>
<tr>
<th>Previous Rating: Moderately Satisfactory</th>
<th>Current Rating: Moderately Satisfactory</th>
<th>Cost (US$): 900,800</th>
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</thead>
</table>

**Sub-component 4.1: Establishing a Criminal Tax Investigation Unit (GoT/OECD executed)**

**Status of Implementation:** The OECD has started to undertake a diagnostic on the needs for capacity building. It is still waiting for the selection of the consultant tasked to establish the Tax Fraud Unit in order to design and deliver a capacity building programme tailored to the Tunisian needs.

**Sub-component 4.2: Designing a strategy and assisting with the implementation of a risk management process (GoT/OECD executed)**

**Status of Implementation:** This activity will be coordinated with USAID which is also planning to work on the implementation of a risk management process. Further steps will be coordinated with USAID in 2015 when the consultant to be hired to work on a risk management system is selected.

**Sub-component 4.3: Designing a Taxpayer Education Programme (OECD executed)**
Status of Implementation: Steps to implement this component will be coordinated with USAID which is also planning to work on the Education of taxpayers. The French version of the OECD Report on Taxpayer Education which includes best practices in a number of developed and developing countries will be launched shortly. It will be useful for benchmarking and identify what taxpayer segment should be targeted as a priority.

Sub-component 4.4 Capacity building through participation at multilateral events (GoT executed)

Status of Implementation:
Three Tunisian tax officials attended the 3 weeks foundation and intermediate level courses in November 2015 provided at OECD Academy for Criminal Tax Investigation [http://www.oecd.org/ctp/crime/tax-crime-academy.htm](http://www.oecd.org/ctp/crime/tax-crime-academy.htm) hosted by Italy and aimed at improving skills in the detection and investigation of financial crimes, and at recovering the proceeds of those crimes. A Tax official also took part in the workshop on Tackling illicit financial flows at the OECD Multilateral tax centre in Ankara.

Component 5: Project management and monitoring (GoT executed)

<table>
<thead>
<tr>
<th>Previous Rating: Moderately Satisfactory</th>
<th>Current Rating: Moderately Satisfactory</th>
<th>Cost (US$): 367.600 (including 288.200 in country-co-financing)</th>
</tr>
</thead>
</table>

A project coordination team has been established by the government within the MoF. The GoT has appointed Mr Karoui the Director general of Taxes as the coordinator and Mrs Louati the General Director of the DGELF as the alternate coordinator. The project team includes a procurement specialist.

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approved Amount for Direct Project Activities (a):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AfDB: 2,843,900</td>
<td>OECD: 1,366,052 USD</td>
<td>AfDB: 2,843,900 OECD: 1,366,052 USD</td>
</tr>
<tr>
<td><strong>Amount Received from Trustee (b):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AfDB: 2,843,900</td>
<td>OECD: 262,021 USD</td>
<td>AfDB: 2,843,900 OECD: 262,021 USD</td>
</tr>
<tr>
<td><strong>Actual Amount Disbursed (c):</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0</td>
<td>AfDB: 800,000 OECD: 330,088 USD</td>
<td>AfDB: 800,000 OECD: 330,088 USD</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed ¹</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB: 0 OECD: 91,848 USD</td>
<td>AfDB: 100,000 OECD: 0 USD</td>
<td>AfDB: 100,000 OECD: 91,848 USD</td>
</tr>
</tbody>
</table>

¹ While the budgeted amount of indirect costs was USD 82,500, the actual amount incurred was USD 91,848 [as per OECD Financial Regulations on VC administrative cost recovery, BC(2011)40]. Only the budgeted amount of USD 82,500 was claimed.
## G. Results Framework and Monitoring

### Project Development Objective (PDO):

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
</table>
| **Indicator 1:** Improved domestic revenue mobilization  
  Tax revenue as % of GDP | Quantitative | 20.8% (2012) | n/a | 21.5% | Yearly | DGI Reports and IMF Report | Tax revenues increased and tax collection rates improved |
| **Indicator 2:** Improved tax transparency and international co-operation  
  Global Forum Phase I peer review | Qualitative | None | n/a | n/a | Yes. Global Forum determines that Tunisia can move to Phase II | Global Forum Phase I Peer Review Report | Phase I Peer Review Report disseminated and Phase II launched |
| **Indicator 3:** Direct project beneficiaries:  
  A. EO Unit staff trained  
  B. FA Unit staff trained  
  C. CTI Unit staff trained  
  D. MoF staff participated at multilateral tax events  
  E. MoF staff seconded to the OECD | Cumulative  
  Number | 0 | 0 | 11 | 143 | 223 | Quarterly | PCU | Total number of beneficiaries from all components of the project combined |
| **Indicator 4:** Tax reform plan prepared and disseminated | Qualitative | None | n/a | Yes | n/a | Once | Report disseminated |

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* PDO Level Results Indicators:

  - **Indicator 1:** Improved domestic revenue mobilization. Tax revenue as % of GDP.
  - **Indicator 2:** Improved tax transparency and international co-operation. Global Forum Phase I peer review.
  - **Indicator 3:** Direct project beneficiaries:
    - A. EO Unit staff trained
    - B. FA Unit staff trained
    - C. CTI Unit staff trained
    - D. MoF staff participated at multilateral tax events
    - E. MoF staff seconded to the OECD
  - **Indicator 4:** Tax reform plan prepared and disseminated.
## INTERMEDIATE RESULTS

### Component 1: Assisting with the implementation of international tax standards on tax transparency and information exchange

| Reviewing the current framework and practices, making recommendations and assisting with legislative and process changes | Qualitative | Current framework and practices not reviewed | Yes | n/a | Legal and institutional reforms are adopted | Once | Project Implementation Reports | PCT |
| Exchange of Information (EOI) unit established | Qualitative | EOI Unit not established | None | One (1) EOI Unit established (2015) | n/a | Once | Project Implementation Reports | PCT |

### Component 2: Addressing Base Erosion and Profit Shifting

| Strategy on Transfer pricing rules elaborated | Qualitative | Strategy on Transfer pricing rules not elaborated | n/a | One (1) Strategy on Transfer pricing rules is validated | n/a | Once | Project Implementation Reports | PCT |
| Capacity built on auditing tax affairs of multinationals | Number | 0 | O A 28 A 30F 20 F | Quarterly | Project Monitoring and Evaluation Database | PCU |

### Component 3: Tax policy analysis and planning

| Fiscal Analysis Unit established | Qualitative | FAU not established | n/a | One (1) FAU established | n/a | Once | Project Implementation Reports | PCT |
| Internationally comparable revenue statistics data developed | Qualitative | Statistics database not developed | n/a | One (1) Statistics database developed | n/a | Once | Project Implementation Reports | PCT |
**Component 4: Tax Administration Reform, Managing and Improving Tax Compliance**

<table>
<thead>
<tr>
<th>A risk-based approach for tax collection and effective resource mobilization developed</th>
<th>Quantitative</th>
<th>Number of risk-based inspection actions</th>
<th>n/a</th>
<th>n/a</th>
<th>50 F</th>
<th>Quarterly</th>
<th>Project Implementation Reports</th>
<th>PCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayer Education Program took place</td>
<td>Quantitative</td>
<td>Number of persons trained</td>
<td>n/a</td>
<td>n/a</td>
<td>30 persons of which: (10) Private sector, (10) public, (5) civil society and (5) academic sectors</td>
<td>Quarterly</td>
<td>Project Implementation Reports</td>
<td>PCT</td>
</tr>
</tbody>
</table>

*Indicate 'A' for ‘Actual’ and 'F' for ‘Forecast’*
Operationalizing Public Private Partnership in Tunisia

A. Basic Project Information

| Activity Name: Operationalizing Public Private Partnership in Tunisia |
| Country Name: Tunisia | Name of Implementation Support Agency(ies): AfDB, OECD |
| Name of ISA Project Leader: OECD: Andreas Schaal/Iza Lejarraga / Ian Hawkesworth | Email of ISA Project Leader: Andreas.Schaal@oecd.org; Iza.Lejarraga@oecd.org; Ian.HAWKESWORTH@oecd.org; T.TRIKI@AFDB.ORG; K.MHIRSI@AFDB.ORG; |
| Name of ISA Project Leader: AfDB: Thouraya Triki / Karim Mhirsi | |
| Recipient Entity: Office of the Prime Minister | Name and Email of Recipient Entity Contact: M. Atef Majdoub (Atef.Majdoub@pm.gov.tn) & Mme Sonia Attia (Sonia.Attia@pm.gov.tn) |

| Total Amount Approved by the Transition Fund (US$): 2.3M (0.8M OECD-executed + 1.4M GoT executed + 0.1M indirect costs) | Additional Funds Leveraged and Source(s), if any (US$): - AfDB co-financing of 1.2M through the Middle Income Countries Trust Fund - In-kind GoT contributions of 179,000 |
| Steering Committee Approval Date: 2/20/2013 | Total Amount Disbursed (Direct and Indirect in US$): OECD: 595,219 AfDB: 0 |
| Project Implementation Start Date: 4/1/2013 | Project Closing Date: 31/12/2016 |

| Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee) | Primary Pillar: Competitiveness and Integration |
| Secondary Pillar(s): | Enhancing Economic Governance Inclusive Development and Job Creation Investing in Sustainable Growth |

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The objective of the project is to support the Government of Tunisia in operationalizing the forthcoming PPP law and implementation decrees, in a manner which will promote transparency, efficiency and effectiveness of public spending, and help the government of Tunisia in meeting its public policy objectives (economic transformation, job creation, reduction of regional disparities and closing poverty and social gaps). The project should also help develop an effective institutional framework for PPP development, notably by building the capacity of the forthcoming PPP Unit. This should enable the rapid implementation of a number of PPP projects with the goal to improve public service delivery to Tunisians and overcome the above discussed challenges that the country is facing.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:

The project has been extended from its original deadline of April 1 2015 to December 31 2016 in order to address the delays witnessed before the appointment of the new Head of the Unité de Suivi des Concessions, which is the AfDB and the OECD's key counterpart on this project. The extension provided flexibility in terms of meeting the government's evolving PPP agenda and needs under the programme. For instance, the training workshop expected to take place in Q2 2015 was slightly delayed (component 3B), and instead an awareness raising, high level seminar took place instead in June 2015 in view of the imminent vote on the PPP law (component 5B). Indeed, the USC and the legal counsel of the Tunisian Prime Minister's Office presented the draft PPP law to the Assembly of the Representatives of the People (Tunisia's national assembly) in May 2015. The draft PPP law is currently being examined by the national assembly.
The implementation status of planned activities during this reporting period can be summarized as follows:

- Significant progress has been marked with regards to the analytical reports (components 1B and 2B). Advanced drafts of the 3 analytical reports (legal, institutional, and budgetary frameworks for PPPs in Tunisia) containing policy recommendations were updated by the OECD and reviewed through an iterative process by the USC as well as the Copil (steering committee for the project). The reports also benefited from the comments of other international institutions and experts. Final comments are currently being incorporated, and the reports should be completed by July 2015 for a final review by the USC, and be ready for publishing in fall 2015.
- The training workshop (component 3B), which was expected to take place in spring 2015, was postponed to the fall of 2015 in agreement with the USC and in line with the evolving priorities of the government. A high-level seminar was organized instead (PPP information day; see below). Agenda drafts with suggested speakers and session topics have been shared with the USC and AfDB, and international speakers approached for their tentative participation in the event in fall 2015.
- The first major activity in Tunisia under component 5B took place in June 2015. Spearheaded by the USC, and in cooperation with the AfDB, a high level seminar was organized (PPP information day) to train and raise awareness of key stakeholders including parliamentarians, unions and public servants on issues related to PPPs, and to support sustained policy dialogue and increasing policy convergence among stakeholders. The event featured a wide audience (100+ participants), senior international speakers, and a lively debate. This event was highly appreciated and both OECD and AfDB were commended for their assistance.
- The process to recruit a project manager was completed by the USC and AfDB provided all necessary approvals to finalize it. The project manager should be starting work soon. Recruitment of consortium for components (1A-5A) (training, communication, etc.) is also ongoing and the short list of candidates already received AfDB non objection. Yet, the process that started to recruit a consortium for component 4 was declared unfruitful because of lacking quality candidates. A new process is expected to start by fall 2015.

The USC and its new management has proven to be a valuable partner to the OECD and the AfDB, and continued communication and flexibility have been displayed by all partners on this project. Although the delivery of certain components has been slightly pushed back because of delays experienced during early life of the project, the progress has been satisfactory over the last year (since project restructuring) and efforts are ongoing to provide high quality deliverables that complement each other.

C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: PPP policy and institutional framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous Rating:</strong> Satisfactory</td>
</tr>
<tr>
<td>OECD sub-component 1.B: USD 374,800</td>
</tr>
</tbody>
</table>

**Sub-component 1.A:** Leading PPP policy and institutional framework (this subcomponent is funded by AfDB MIC TAF – not by the MENA TF)

**Status of Implementation:** On AfDB side, the recruitment process has started early this year. A short list of 6 candidates was prepared by USC and submitted to AfDB for non-objection. The latter gave its non-objection in May 2015. Next step is the request for proposals.

**Sub-component 1.B:** Advisory analytical work on: 1)PPP legal framework, 2)current institutional set up (ISA: OECD)

**Status of Implementation:** This sub-component is on track and the analytical reports and recommendations on the legal and institutional frameworks in Tunisia report have been reviewed by the USC as well as the Copil. A meeting took place on March 12 at the USC’s Headquarters and allowed the OECD to collect initial comments and reactions from its main representatives on the advanced draft reports. At the suggestion of our partner and it order to facilitate wider comment collection, a meeting was organized with the members of the Copil on March 30 in Tunis. Copil members include representatives from the Ministry of Finance, the Ministry of Development, Investment, and International Cooperation, and the Ministry of Transport. This meeting,
which was facilitated by the USC, allowed the team to bring clarifications to certain parts of the reports and collect comments on issues of interest to Tunisia.

After this substantive round of comments, it was decided to merge the institutional and legal reports into one volume. Additional, written comments were received in April following the meeting, after which an updated version of the report has been circulated. Comments on the latest version were then received by the USC and the Copil in May/June. The reports were also reviewed by members from partner international organizations and other experts. Final comments are currently being incorporated and the reports should be ready for publishing in Q3 2015.

This work will provide the backbone of the PPP training programme to be held by the OECD and AfDB in September/October 2015.

### Component 2: Establishing the PPP Unit

|-------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------|

**Sub-component 2.A**: Lead in establishing the PPP Unit (*this subcomponent is funded by AfDB MIC TAF – not by the MENA TF*)

**Status of Implementation**: On AfDB side, the recruitment process has started early this year. A short list of 6 candidates was prepared by USC and submitted to AfDB for non-objection. The latter gave its non-objection in May 2015. Next step is the request for proposals.

**Sub-component 2.B**: Analysis of the budgetary framework (ISA: OECD)

**Status of Implementation**: As in previous reporting periods, this sub-component is aligned with the one above (1.B) and is on track. The analytical report and recommendations on the budgetary framework for PPPs in Tunisia have been reviewed through an iterative process that started in October 2014, including to incorporate elements of the new draft organic budget law. The Tunisian authorities (USC and Copil) as well as international peer reviewers have provided oral and written comments to the budgetary framework, along with the legal and institutional frameworks as detailed above. With the help of the USC, substantive comments were thus collected especially in the March-June period in order to finalize the report for publishing.

Following the latest round of written comments on the budget report in May/June, it was decided to simplify and shorten it in order to provide a greater emphasis on the core issues. Final comments are currently being incorporated and the report should be ready for publishing in Q3 2015.

This work will also provide the backbone of the PPP training program to be held by the OECD and AfDB in September/October 2015.

### Component 3: Developing Capacity and Skills Transfer

|------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------------------|

**Sub-component 3.A**: Lead in developing capacity and skill transfer (*this subcomponent is funded by AfDB MIC TAF – not by MENA TF*)

**Status of Implementation**: *Note: this sub-component is not funded under the MENA Transition TF*

On AfDB side, the recruitment process has started early this year. A short list of 6 candidates was prepared by USC and submitted to AfDB for non-objection. The latter gave its non-objection in May 2015. Next step is the request for proposals.
**Sub-component 3.B: Tailored workshop & training materials on PPP implementation (ISA: OECD)**

**Status of Implementation:** The training workshop was initially expected to take place in Q2 2015, and agenda drafts with suggested sessions and speakers have been circulated, but due to the agenda of the parliament, summer and Ramadan, it was postponed to Fall 2015. The training program aims at presenting the role and main attributes of PPPs, the importance of a balanced approach and most importantly to exchange regarding international PPP experiences in the relevant areas. It will build on past seminars and on the PPP information day organized in June 2015 (noted below – component 5B).

For the training, the OECD in cooperation with the Afdb will seek to mobilize international experts from the OECD network of senior PPP officials as well as from developing countries (Egypt and or Morocco, for example). Several speakers have already been approached concerning their participation in the training. It will be tailored to the needs of the audience (primarily members of the Tunisian administration), and will build on the 3 reports developed by the OECD as well as reference material for the training.

In line with this capacity building component, a member of the USC was also invited to attend the OECD’s annual meeting for Senior Infrastructure and PPP Officials, which took place in the OECD Headquarters in Paris on March 23-24 2015. This forum is the main platform for OECD PPP Senior Officials to exchange experiences, developments, and innovations in this area. The goal was for the government to engage with peers from OECD Members and obtain experiences and key take-aways and from countries with demonstrated PPP track records.

**Component 4: Development of a PPP pipeline and preparation of pilot projects (ISA: AfDB)**

<table>
<thead>
<tr>
<th>Previous Rating: Satisfactory</th>
<th>Current Rating: Moderately satisfactory</th>
<th>Cost (US$): GoT executed activities: USD 1,200,000</th>
</tr>
</thead>
</table>

**Status of Implementation:** Note: this subcomponent is funded by the MENA TF – not by the AfDB MIC TAF

On AfDB side, the EOI for the firm that will be implementing component 4 was prepared by USC and received AfDB non-objection in early February. By the indicated deadline, the Tunisian authorities decided to declare the tender process unfruitful because the number of quality candidates was low. A new process is expected to be launched in fall 2015 once an updated list of potential PPP projects is finalized by the GoT. This is ongoing work under the preparation of Tunisia’s 5-year development plan.

**Component 5: Consultation and communication**

|------------------------------------------|-----------------------------------------|--------------------------------------------------|

**Sub-component 5.A: Leading consultation and communication activities (this subcomponent is funded by AfDB MIC TAF)**

**Status of Implementation:**

Note: this sub-component is not funded under the MENA Transition TF

On AfDB side, the recruitment process has started early this year. A short list of 6 candidates was prepared by USC and submitted to AfDB for non-objection. The latter gave its non-objection in May 2015. Next step is the request for proposals.

**Sub-component 5.B: Communication around OECD activities & Tunisia’s investment policy reform efforts (ISA: OECD)**

**Status of Implementation:**

At the request of the Tunisian Prime Minister’s Office, the OECD and the African Development Bank (AfDB) organized an information day on public-private partnerships in Tunis on June 4 2015. The event was prompted by the recent presentation of
the Tunisian PPP law to the Assembly of the representatives of the People. The aim of this high-level seminar was to inform, raise awareness on PPPs and the importance of a balanced framework. The audience consisted of over 100 Members of Parliament, labor unions, government officials (including 2 former finance ministers), as well as the media. The lively debate that ensued with participants demonstrates the need to generate greater evidence about the costs, benefits, and implications of PPPs, and to stimulate a multi-stakeholder, broad-based dialogue on the advantages and risks of this public procurement model for Tunisia.

Component 6: Program Management (ISA: AfDB)

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>GoT executed activities: USD 200,000</td>
</tr>
</tbody>
</table>

Status of Implementation: This component was restructured during the supervision mission that took place in December 2014. The initially planned firm was replaced by an individual consultant. The recruitment process for an individual to perform the project management task was initiated in December 2014 and has been finalized. The project manager is expected to start work in the very near future.

C. Commitments and Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AfDB: 1,400,000</td>
<td>OECD: 749,600</td>
<td>2,149,600</td>
<td></td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b): | AfDB: 1,400,000 | OECD: 176,932 | 1,576,932 |

| Actual Amount Disbursed (c): | AfDB: 0 | OECD: 544,819 | 544,819 |

D. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec*</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>AfDB: 0</td>
<td>AfDB: 0</td>
<td>AfDB: 0</td>
</tr>
<tr>
<td></td>
<td>OECD: 289,820</td>
<td>OECD: 254,999</td>
<td>OECD: 544,819</td>
</tr>
<tr>
<td>2015</td>
<td>AfDB: 0,000</td>
<td>AfDB: 45,000</td>
<td>AfDB: 45,000</td>
</tr>
<tr>
<td></td>
<td>OECD: 204,781</td>
<td>OECD:</td>
<td>OECD: 204,781 USD</td>
</tr>
<tr>
<td>2016</td>
<td>AfDB: 600,000</td>
<td>AfDB: 1.7 million</td>
<td>AfDB: 2.3 million</td>
</tr>
</tbody>
</table>

E. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD: 50,400</td>
<td>OECD: 0</td>
<td>OECD: 50,400</td>
</tr>
<tr>
<td>AfDB: 0</td>
<td>AfDB: 100,000</td>
<td>AfDB: 100,000</td>
</tr>
</tbody>
</table>
## G. Results Framework and Monitoring

**Project Development Objective (PDO):** Improvement of Public-Private Governance, Improvement of Public Service Delivery, Investment Mobilization and Job Creation

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator one: number of policy reforms identified in view of strengthening the legal framework for PPPs</strong></td>
<td># policy reforms</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>12 months</td>
<td>reports</td>
</tr>
<tr>
<td><strong>Indicator two: a co-ordination platform is established within GoT for monitoring PPP and infrastructure-related policies</strong></td>
<td>Co-ordination platform</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3 months</td>
<td>Reports &amp; dialogue with platform</td>
</tr>
</tbody>
</table>

* PDO Level Results Indicators: **Baseline** refers to the initial level of the indicator at the start of the project. **Cumulative Target Values**: The values for Apr 2013 – Mar 2014, Apr 2014 – Dec 2015, and Apr 2014 – Dec 2016 are mentioned. **Frequency**: The reporting frequency is indicated. **Data Source/Methodology**: The method of data collection is mentioned. **Responsibility for Data Collection**: The responsible team for data collection is indicated. **Description (indicator definition etc.)**: A detailed description of the indicator is provided.
| Indicator three: a functional PPP Unit is in place | PPP unit | 0 | 0 | 0 | 1 | Project implementation unit | PPP Unit will be established and adequately staffed once the PPP law has been adopted (postponed to 2015). Procedures and manuals will thereafter be defined. Meanwhile USC is created and functional. |
| Indicator four: PPPs pipeline is developed | # of PPP projects identified | 0 | 0 | 5 | 5 | 6 months | Project implementation unit | # projects identified so far as potential PPP candidates. |
| Indicator five: PPP pilot projects are prepared | # of bids launched to select private partners | 0 | 0 | 0 | 2 | Project implementation unit | PPP Unit launches bid to select private partner on specific projects. PPP Unit receives valid proposals from the private sector. This is expected to begin in 2016. |
| Indicator six: Private sector investments crowded in | Million USD | 0 | 0 | 0 | 0 | Project implementation unit | Investments mobilized through the establishment of the PPP Unit and dissemination/communication efforts. Also expected to begin in 2016. |
| Indicator seven:  
Institutional PPP awareness | # of staff trained | 0 | 30 | 60 | 60 | 3months | Reports | Project implementation unit | Number of staff trained  
(including within USC and across relevant ministries)  
during 2014 workshops to discuss OECD assessment of the  
legal, institutional and budgetary frameworks for PPPs  
in Tunisia; and during PPP training workshops in 2015. |

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**INTERMEDIATE RESULTS***

Intermediate Result (Component One): PPP policy and institutional framework

| Intermediate Result indicator One (with inputs from OECD network): Implementation of PPP Unit and institutional framework | Unit in place  
Institutional framework in place | 0 | 0 | 1 | 1 | 3 months | Reports | Project implementation unit & OECD network  
(including Network of Senior Budget Officials) | PPP Policy is adopted, institutional framework is agreed, including with benefit from OECD best-practices in fiscal management. Although PPP Unit is not formally in place as of July 2015 due to delay in passage of PPP law, concessions unit (USC) is in place and on this basis the institutional framework is being considerably strengthened (hence the score for YR 2). |

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| Intermediate Result indicator two (led by OECD): Co-ordination platform for monitoring PPP and infrastructure-related policies | inter-ministerial taskforce set up to co-ordinate inputs to OECD policy review process. | 0 | 1 | 1 | 1 | 3 months | Regular communicatio n with task-force partnering with OECD in policy review process | Government task-force established for providing responses to OECD questionnaire and reviewing drafts of analytical reports; and OECD analytical team | Timely responses to OECD questionnaire provided by inter-ministerial taskforce; active leadership & participation of taskforce at all stages of the self-assessment & review process; taskforce remains active after conclusion of review exercise. |
| Intermediate Result indicator three (led by OECD): Identifying and facilitating reforms to the PPP policy framework | Implementation plan for priority reforms. | 0 | 0 | 1 | 1 | 6 months | All-stakeholder workshops held in context of policy review exercise | OECD analytical team attending implementation workshops | Priorities have been identified within suggested recommendations in 2014. In 2015 and together with the PPP training programme, a timeline and implementation plan will be discussed, for elaboration in mid-2015. |

**Intermediate Result (Component Two): Setting-up the PPP Unit**
| Intermediate Result indicator One (with OECD inputs): Organization structure, staffing and skill requirements | Business plan in place | 0 | 0 | 0 | 0 | 6 months | Reports | PPP Unit organization structure is defined, staff skill requirements are established with reference to best-practices across OECD and non-OECD countries. Progress is beginning on this front with the USC, but will only really be realized once PPP Unit is in place. |
| Intermediate Result indicator two: PPP Unit staff recruited | Reforms proposed | 0 | 0 | 2 | 6 months | Reports | Project implementation unit | PPP Unit is adequately staffed (again, will only really be verified once PPP Unit is in place). Note that USC was set up and staff recruited. |
| Intermediate Result indicator three: Toolkit, operating manuals and procedure defined | Financing strategy in place | 0 | 0 | 1 | 6 months | Reports | Project implementation unit | Operational manual and PPP toolkit are available. Procedures are defined. Progress is beginning on this front with the USC, but will only really be realized once PPP Unit is in place. |
| Intermediate Result indicator four: IT system in place | Operational manual in place | 0 | 0 | 0 | 6 months | Reports | Project implementation unit | IT platform is operational (will be undertaken once PPP Unit is in place) |

Intermediate Result (Component Three): Capacity Building
<table>
<thead>
<tr>
<th>Intermediate Result One (led by OECD): Tailored training materials are prepared</th>
<th>Course-pack &amp; PPP training modules in place</th>
<th>0</th>
<th>0.5</th>
<th>1</th>
<th>1</th>
<th>6 months</th>
<th>Course-pack for training programme</th>
<th>Project implementation unit &amp; feedback from training participants</th>
<th>Course-pack tailored to needs of Tunisia’s PPP Unit (perhaps on a specific infrastructure sub-sector) are prepared, including case-studies. Although the training programme was postponed to early 2015, the course pack material, based on the analytical reports and other expertise, is under elaboration.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator two (led by OECD): Training sessions are organized</td>
<td>#PPP unit staff # Staff at sector ministries # external participants/experts sharing country experiences</td>
<td>0</td>
<td>10</td>
<td>30</td>
<td>30</td>
<td>6 months</td>
<td>Reports</td>
<td>OECD training staff &amp; feedback from training participants</td>
<td>Number of staff trained and contacts established with other PPP experts across the region/internationally. The two workshops held in 2014 were highly useful for sharing experiences and discussing key risks and opportunities of PPPs with members of the USC (future PPP Unit).</td>
</tr>
<tr>
<td>Intermediate Result indicator three (with inputs from OECD): transfer of experience</td>
<td>#of seminars organised</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit &amp; PPP Unit</td>
<td>Number of seminars organized (including to follow up on experiences gathered during PPP Training programme). Two workshops were held in 2014 (April and October) while the PPP Training Programme was postponed to early 2015.</td>
</tr>
</tbody>
</table>

Intermediate Result (Component Four): PPP pipeline and project preparation
<table>
<thead>
<tr>
<th>Intermediate Result indicator one: Project reviewed</th>
<th># of projects</th>
<th>0</th>
<th>0</th>
<th>5</th>
<th>5</th>
<th>6 months</th>
<th>Reports</th>
<th>Project implementation unit</th>
<th>Projects reviewed by the PPP unit as potential PPP candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator two: Project shortlisted</td>
<td># of projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>Project shortlisted by the PPP unit (N/A currently, for the reasons above)</td>
</tr>
<tr>
<td>Intermediate Result indicator three: Project prepared</td>
<td># of projects</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>Project prepared by the PPP unit (N/A currently, for the reasons above)</td>
</tr>
<tr>
<td>Intermediate Result indicator four: expert panel</td>
<td># of panel</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>A panel of experts (legal, technical, financial, environmental, social) is established. This is already well on its way thanks to the stakeholder taskforce gathered by USC.</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Five): Communication and consultation**

<table>
<thead>
<tr>
<th>Intermediate Result indicator one (with support from OECD): consultation platforms</th>
<th># of Round tables / other consultation platforms</th>
<th>0</th>
<th>4</th>
<th>6</th>
<th>6</th>
<th>6 months</th>
<th>Reports</th>
<th>Project implementation unit</th>
<th>Round table &amp; bilaterals with government, civil society and the private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator two (with OECD inputs): communication material</td>
<td># of communication products</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit &amp; OECD</td>
<td>Communication products designed, on the basis of preliminary OECD findings (analytical reports)</td>
</tr>
<tr>
<td>Intermediate Result indicator three: website</td>
<td># of dedicated website</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>website developed – still pending as PPP Unit is not yet set up.</td>
</tr>
<tr>
<td>Intermediate Result indicator four (with input from OECD networks): project specific road-shows &amp; international presentations</td>
<td># of roadshows # international / regional conferences at which experience is discussed &amp; presented</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>6 months</td>
<td>Reports</td>
<td>Project implementation unit</td>
<td>Project roadshows to market Tunisian PPPs; International/ regional conferences used as an opportunity for GoT (PPP Unit) to present on ongoing reforms and to raise awareness on the status of the PPP pipeline, among development partners as well as the private sector.</td>
</tr>
</tbody>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: MENA Regional Affordable Housing Project – Tunisia activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Tunisia</td>
</tr>
<tr>
<td><strong>Name of Implementation Support Agency(ies):</strong> World Bank, Arab Monetary Fund</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> Fadwa Bennani (WB) Yisr Barnieh (AMF) / Hafid Oubrik (AMF)</td>
</tr>
<tr>
<td><strong>Email of ISA Project Leader:</strong> <a href="mailto:fbennani@worldbank.org">fbennani@worldbank.org</a>, <a href="mailto:financialmarkets@amfad.org.ae">financialmarkets@amfad.org.ae</a></td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Ministry of Finance, Ministry of Equipment, Territorial and Sustainable Development, Secretariat of State for Housing, Central Bank of Tunisia</td>
</tr>
<tr>
<td><strong>Name and Email of Recipient Entity Contact:</strong> <a href="mailto:secretaire.etat@mehat.gov.tn">secretaire.etat@mehat.gov.tn</a></td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong> 2,110,460</td>
</tr>
<tr>
<td><strong>Additional Funds Leveraged and Source(s), if any (US$):</strong></td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> 634,257</td>
</tr>
<tr>
<td><strong>Steering Committee Approval Date:</strong> 12/5/2013</td>
</tr>
<tr>
<td><strong>Project Implementation Start Date:</strong> 1/1/2014</td>
</tr>
<tr>
<td><strong>Project Closing Date:</strong> 1/31/2017</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong></td>
</tr>
<tr>
<td><strong>Primary Pillar:</strong> Investing in Sustainable Growth</td>
</tr>
<tr>
<td><strong>Secondary Pillar(s):</strong> Enhancing Economic Governance Inclusive Development and Job Creation Competitiveness and Integration</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The objective of the proposed project is to support the Government of Tunisia in designing reforms of programs and policies to promote access to affordable housing for the low to middle income households.

<table>
<thead>
<tr>
<th>Rating for progress towards achievement of objective:</th>
<th>Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating for overall implementation progress:</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

**Brief Summary of Project Implementation Status:**
The prospects of achieving the PDO remain good at this stage with most activities on track. A detailed evaluation of government housing policies together with an issues analysis of the housing sector in Tunisia have been fully completed and advertised to key stakeholders. A new housing strategy has been finalized and endorsed by the government. The project has launched operational technical assistance work on three key areas that were considered as quick wins in reforming the housing policy. These are: (i) a technical assistance to reform credit linked housing subsidies; (ii) a technical assistance to review urban regulations; (iii) a technical assistance to develop operational and regulatory tools for land development programming and financing. Client ownership of this project remains strong despite the recent government change and the nomination of a new housing secretary of state.

C. Implementation Status of Components

**Component 1:** Scaling up the Supply of Affordable Housing (WB)
### Sub-component 1.1: Evaluation of the effectiveness of government programs and recommendations for reforms

**Status of Implementation:** A number of background studies have been completed under this component which aimed at conducting a detailed evaluation of the successes and shortcomings of current government housing policy. Based on this detailed analysis, the project team supported the preparation and delivery of a new housing strategy for Tunisia together with a strategy action plan which was endorsed by the Government.

### Sub-component 1.2: Review of tools for land supply and recommendations of reform

**Status of Implementation:** A broad analysis of the supply and demand for land for housing in Tunisia has been carried out which allowed a better understanding of how access to suitable land constrains the various affordable housing production processes in Tunisia and the development of a set of strategic recommendations to alleviate the identified constraints. An additional study has been launched to further assess operation and funding structures for land development for housing. A workshop will be organized (tentatively in September 2015) to present the results of this study prior to launching an operational technical assistance where the existing and new instruments could be piloted and tested. On the urban regulation side, a technical assistance was provided for the review the existing urban regulations. A restitution meeting has been organized for the delivery of the new proposed regulations and to discuss a timeline for their endorsement.

### Sub-component 1.3: Feasibility study of suburbanization

**Status of Implementation:** Based on the housing strategy that has been endorsed by the new government, this study does not appear in the action plan. It has been agreed by project stakeholders that this study will not be conducted as described specifically in the project proposal. That being said, several activities related to Sub-component 1.2 will look into this question.

### Component 2: Expanding Access to Affordable Housing Finance (WB)

**Previous Rating:** Satisfactory  
**Current Rating:** Satisfactory  
**Cost (US$):** 0.7 million

#### Sub-component 2.1: Increasing access to housing finance to low income and informal income households

**Status of Implementation:** A study has been completed for the analysis of housing finance system and the issues that hinder the deepening of the market and affect the financial soundness of this credit activity. This study also undertook a detailed background analysis of the FOPROLOS mechanism and other state funds providing subsidies to low lower income households. Technical assistance to reform credit –linked subsidies (FOPROLOS, FNAH and savings for housing scheme) has been launched and is at an advance stage of implementation with a first draft report submitted and discussed with the project steering committee.

Feasibility study of a mortgage guarantee fund for low and informal income: A first phase of this study has been completed, with an initial assessment of the scope of the informal / undocumented borrower segment, and an estimation of the number of households who could potentially be served by such guarantee fund. A second phase of the study will be launched in Q1 2016.

#### Sub-component 2.2: Development of long-term finance for housing

**Status of Implementation:** Preparatory work for this key study is being carried out through sub-component 2.1. This work is expected to be launched in Q4 2015.

### Component 3: Affordable Housing and Housing Finance Capacity Building and Knowledge Sharing (AMF)

**Previous Rating:** Moderately  
**Current Rating:** Moderately Satisfactory  
**Cost (US$):** 0.2 million

#### Sub-component 3.1: Strengthening technical capacity in affordable housing sector

**Status of Implementation:** The terms of reference of the regional housing finance training in partnership with the Wharton School together with an agenda and a financial plan were prepared. The AMF team is in the process of identifying a country / university in the region to host the course.

#### Sub-component 3.2: Affordable Housing and Housing Finance Capacity Building and Knowledge Sharing
**Status of Implementation:** Online affordable housing finance knowledge platform and resource center for the MENA region. The existing Hofinet platform will be supported to develop and maintain a regional MENA section of the portal that will show comparative data on the sector, relevant studies, laws, news and will maintain a blog for regional discussions and knowledge exchange. Initial terms of reference for this activity were prepared.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF: 200,000 WB: 1,800,000</td>
<td>AMF: 200,000 WB: 1,800,000</td>
<td>AMF: 200,000 WB: 1,800,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount Received from Trustee (b):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF: 200,000 WB: 1,800,000</td>
<td>AMF: 200,000 WB: 1,800,000</td>
<td>AMF: 200,000 WB: 1,800,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actual Amount Disbursed (c):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>AMF: 0 WB: 105,657</td>
<td>AMF: 0 WB: 142,137</td>
<td>AMF: 0 WB: 247,795</td>
</tr>
<tr>
<td>2017</td>
<td>AMF: 40,000 WB: 314,399</td>
<td>AMF: 40,000 WB: 314,399</td>
<td>AMF: 40,000 WB: 314,399</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMF: 2,495 WB: 80,460</td>
<td>AMF: 27,505 WB: 0</td>
<td>AMF: 30,000 WB: 80,460</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):** The objective of the proposed project is to support the Government of Tunisia in designing reforms of programs and policies to promote access to affordable housing for the low to middle income households.

The objective will be achieved by supporting the Government in (i) the evaluation of their existing programs for affordable housing, (ii) designing the key policies that will be catalytic and transformational in improving the supply of affordable housing and the availability of affordable housing finance, and (iii) cross-regional knowledge sharing and expertise strengthening in the area of affordable housing and housing finance.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsbility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator 1</strong></td>
<td>Number of recommendations endorsed by key stakeholders that feed into housing policy and program formulation</td>
<td>0</td>
<td>0</td>
<td>4 (A: 1)</td>
<td>Bi-annually</td>
<td>Endorsement as reported by the Ministry of Public Works and Housing and the Ministry of Finance.</td>
<td>World Bank Policies and programs may include government strategy, policy guidance, laws and regulations, and donor sponsored government operations. Note: New housing strategy endorsed</td>
</tr>
</tbody>
</table>
### Indicator 2

Counterparts endorse project recommendation for improved access to affordable housing finance for the low and informal income population.

<p>| Number of recommendatio ns endorsed by key stakeholders that feed into formulation of policy and programs for improved access to housing finance by the low income population | 0 | 0 | 2 | 3 | Bi-annually | Endorsement as reported by the Ministry of Public Works and Housing, Central Bank, and the Ministry of Finance. | World Bank | Reform for credit linked subsidy systems expected to be endorsed over the course of Q3&amp;4 2015 | by the new Government. |</p>
<table>
<thead>
<tr>
<th>Indicator 3</th>
<th>No. of participants in workshops or trainings</th>
<th>Bi-annually</th>
<th>Training, conferences and workshops reports and beneficiary surveys.</th>
<th>Arab Monetary Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved capacity of Tunisian policy makers for formulating and implementing affordable housing and housing finance policy through the capacity building and knowledge sharing initiatives supported by the Project.</td>
<td>0</td>
<td>20 (A; 42)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of participants in workshops or trainings</td>
<td>0 (A; 40)</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training, conferences and workshops reports and beneficiary surveys.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arab Monetary Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

National consultation workshop was held over the course of October 2014 to present and collect feedback on the findings of the evaluation of the housing sector and current government housing policy, as part of an iterative consultation process for the new housing strategy formulation. Two participants from Tunisia attended a capacity building event on international experiences for rental sector development which was held in Rabat on May 25 & 26, 2015. (upcoming in Q3 2015: Training will be provided to senior staff of the urban development directorate and...
### INTERMEDIATE RESULTS

#### Intermediate Result (Component One): Scaling-up the supply of affordable housing.

- **Sub-component 1.1:** Evaluation of the effectiveness of government programs and recommendations for reforms
- **Sub-component 1.2:** Review of tools for land supply and recommendations of reform
- **Sub-component 1.3:** Feasibility study of suburbanization.

<table>
<thead>
<tr>
<th><strong>Intermediate Result indicator:</strong></th>
<th><strong>Number of reports completed.</strong></th>
<th><strong>1</strong></th>
<th><strong>2</strong></th>
<th><strong>3</strong></th>
<th><strong>Bi-annually</strong></th>
<th><strong>Reports and studies produced.</strong></th>
<th><strong>World Bank</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market analysis of supply and demand, evaluation of effectiveness of government programs and recommendations</td>
<td>0</td>
<td>(A: 1)</td>
<td>(A: 3)</td>
<td>3</td>
<td>Bi-annually</td>
<td>Reports and studies produced.</td>
<td>World Bank</td>
</tr>
</tbody>
</table>

- Supply and demand analysis completed.
- Evaluation of government housing policy completed.
- New Housing strategy delivered

<table>
<thead>
<tr>
<th><strong>Intermediate Result indicator:</strong></th>
<th><strong>Number of reports completed.</strong></th>
<th><strong>1</strong></th>
<th><strong>2</strong></th>
<th><strong>3</strong></th>
<th><strong>Bi-annually</strong></th>
<th><strong>Reports and studies produced.</strong></th>
<th><strong>World Bank</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical analysis</td>
<td>0</td>
<td>(A: 1)</td>
<td>(A: 2)</td>
<td>3</td>
<td>Bi-annually</td>
<td>Reports and studies</td>
<td>World Bank</td>
</tr>
</tbody>
</table>

- Land and urban development
Feasibility studies and policy support for increasing supply of urban land for residential development (including the feasibility study on suburbanization).

Intermediate Result (Component Two): Expanding access to affordable housing finance.
Sub-component 2.1: Increasing access to housing finance for low and informal income households.
Sub-component 2.2: Development of long-term finance for housing.

<table>
<thead>
<tr>
<th>Intermediate Result indicator: Feasibility report guarantee mechanism to increase access to housing finance for low income and informal income groups and development of lending standards</th>
<th>Number of reports completed</th>
<th>0</th>
<th>0</th>
<th>2</th>
<th>2</th>
<th>Bi-annually</th>
<th>Reports and studies produced.</th>
<th>World Bank</th>
<th>Partially completed. Study on analysis of informal income households completed. Review of credit linked subsides to low income households ongoing.</th>
</tr>
</thead>
</table>

| Intermediate Result indicator: Feasibility reports to develop long term finance and action plan to improve | Number of reports completed | 0 | 0 | 2 | 2 | Bi-annually | Reports and studies produced. | World Bank | Activity to start in Q3 2015 |
**Intermediate Result (Component Three): Affordable housing and housing finance capacity building and knowledge sharing.**

Sub-component 3.1: Building Technical Capacity in Affordable Housing Sector.

Sub-component 3.2: MENA regional integration and knowledge sharing.

<table>
<thead>
<tr>
<th>Intermediate Result indicator: Workshops and trainings undertaken on affordable housing finance and policy.</th>
<th># events</th>
<th>0</th>
<th>1</th>
<th>4</th>
<th>6</th>
<th>Annually</th>
<th>Training, conference and workshop participant surveys</th>
<th>Arab Monetary Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of progress</td>
<td>0</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>Annually</td>
<td>Progress report</td>
<td>Arab Monetary Fund</td>
<td></td>
</tr>
</tbody>
</table>

**Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**
### A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: LOGISMED soft project – Regional project – Activities in Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Tunisia</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> Pasquale Staffini</td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Ministry of Transport</td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong> 1,565,000.00</td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> 191,666</td>
</tr>
<tr>
<td><strong>Project Implementation Start Date:</strong> 7/31/2013</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong></td>
</tr>
<tr>
<td><strong>Secondary Pillar(s):</strong></td>
</tr>
</tbody>
</table>

### B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The objective of LOGISMED is to support the enhancement of logistic platform capacities in Egypt, Morocco and Tunisia as well as the creation of a collaborative network between these logistic platforms in order to improve country capacities and to attract foreign investments, affecting directly country and citizens development.

**Rating for progress towards achievement of objective:** Moderately Unsatisfactory

**Rating for overall implementation progress:** Moderately Unsatisfactory

**Brief Summary of Project Implementation Status:**

Logismed has two components: (i) Logismed Hard and (ii) Logismed Soft. The overall objective of Logismed Hard is to promote through technical assistance such as feasibility studies the establishment of logistics platforms in the Mediterranean region. For Logismed Soft, the general objectives are: (i) to facilitate the coordination/cooperation between the different players in the logistics sector of the Mediterranean region, (ii) to enhance training within the various professional disciplines in the logistics sector and (iii) to establish observatories to conduct sector performance analyses and produce corresponding indicators. In 2013, Logismed Soft was labelled and launched by the Secretariat of the Union for the Mediterranean (UfM).

In order to implement Logismed Soft, funds have been secured from the MENA Transition Fund and the EU Commission.

In June 2014, EIB signed a service contract with the CETMO (Centre d’Études des Transports pour la Méditerranée Occidentale) for the day to day management and implementation of large parts of these activities. CETMO’s team for Logismed Soft will be led by Mr. Saki Aciman Behar as project director (chef de la mission) and Mr. Alberto Palacios Cobeta as technical team leader (responsable technique).

As a result, a draft Cooperation Agreement (CA) was shared by EIB with the Euromed National Coordinators on 2 June 2014. The CA regulates the cooperation between the Bank and a Promoter for the implementation of a technical assistance
(TA) project. Promoters need to sign a CA with the Bank before concrete TA action can start in their respective country. For the inception phase of the project, CETMO had prepared an **implementation plan**, which was attached to the last progress report. This plan included a number of critical path items, which are essential to address rapidly in order to remain within the overall timeframe of the project. This includes for example the updating of the training needs assessment and the preparation of detailed terms of reference for the training activities to be carried out by specialized consultants that still need to be procured. The Logismed CA between Tunisia and EIB was signed by the parties only on 27.11.2014 and 11.12.2014, respectively. A first mission by CETMO/EIB to Tunisia was organised on 6th and 7th April with a view to launch the project and carry out a first fact finding in view of updating the training needs assessment. The “process verbal” of this mission is embedded in this report.

---

### C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component</th>
<th>LOGISMED Coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1: LOGISMED Coordination</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Previous Rating:</strong> Moderately Unsatisfactory</td>
<td><strong>Current Rating:</strong> Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Sub-component 1.1:</strong> Promotion of LOGISMED project</td>
<td><strong>Status of Implementation:</strong> Terms of Reference for this component prepared and contract signed with CETMO. This component was launched April 2015 during the first mission to Tunisia (see above). Work of the next period will be focused on the screening of logistics platforms existing or project candidates to be incorporated to the network.</td>
</tr>
<tr>
<td><strong>Sub-component 1.2:</strong> Definition of LOGISMED platform network</td>
<td><strong>Status of Implementation:</strong> Terms of Reference for this component prepared and contract signed with CETMO. This component will be launched in January 2015 (CA was signed in December 2014). At this moment a proposal of the expected content of the report that should define the characteristics and services of the platforms of the network and also the configuration of the network has been elaborated by CETMO. This proposal will be agreed with EIB and Tunisia in July 2015. Foreseen finalization data of this report is November 2015.</td>
</tr>
<tr>
<td><strong>Immediate activities for Component 1 include:</strong></td>
<td></td>
</tr>
<tr>
<td>• List of Logistics platforms candidates to be incorporated into Logismed network and therefore receive training. A prior feasibility study for a logistics zone at the site Jbel El Oust carried out under the supervision of the EIB came to the conclusion that this site is a feasible option only in the long term. EIB – in close cooperation with the Tunisian authorities and under funding from the MENA TF Transtrac project – is currently in the process of commissioning a ports and logistics sector study, which will also look at a prioritisation of alternative sites for logistics platforms and assess the feasibility of the two top-ranked sites. In parallel to this study, CETMO and the Tunisian authorities will screen all the possible logistic platforms existing and planned to be candidates to be incorporated into the Logismed network.</td>
<td></td>
</tr>
<tr>
<td>• Identification of needs of each of the logistics platforms selected.</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-component 1.3:</strong> none</td>
<td><strong>Status of Implementation:</strong> none</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 2: LOGISMED Training Activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous Rating:</strong> Moderately Unsatisfactory</td>
<td><strong>Current Rating:</strong> Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Sub-component 2.1:</strong> LOGISMED Country Training Activities</td>
<td></td>
</tr>
</tbody>
</table>

---

3 An equivalent mission to Jordan, which benefit from EC-funded LOGISMED SOFT activities, was carried out on 18th May 2015.

4 At the occasion of the Tunisia visit, the EIB representatives had a meeting with the British representative of the MENA TF, Ms. Kay Harris, and provided a verbal update of the state of play of LOGISMED SOFT.
Status of Implementation: Terms of reference for the monitoring of this component prepared and contract signed with CETMO. CETMO will be in charge of the preparation of the terms of reference and will participate in the selection of the Training in logistics consultant group in cooperation with EIB that will be in charge of the implementation of this component.

The ToR for the training consultant to be financed out of the EC grant have now been prepared and agreed with the five countries concerned, and the tendering is about to start. The intention is to have contracted the training consultant by end 2015. The idea is to use the Deauville funds for a second wave of training, once the first wave has sufficiently advanced and lessons learned from that are available.

Sub-component 2.2: LOGISMED Platform Training Activities

Status of Implementation: Terms of reference for the monitoring of this component prepared and contract signed with CETMO. This activity will be part of the work of the training consultant to be hired as described under sub-component 2.1. Future implementation of this sub-component is related to the selection of the logistics platform candidate to receive training (Subcomponent 1.2).

Component 3: LOGISMED Observatory

Previous Rating: Moderately Unsatisfactory

Current Rating: Moderately Satisfactory

Cost (US$): 617,000

Sub-component 3.1: Action Plan for LOGISMED Observatory

Status of Implementation: Terms of Reference for this component prepared and contract signed with CETMO. This component was launched in spring 2015 (CA was signed in December 2014). A draft of the Action Plan has been prepared by CETMO in a regional approach and presented during the Kick-off mission in Tunisia. Adaptations to this draft in order to include Tunisian specific needs are being incorporated.

Sub-component 3.2: Observe and analyze regional developments

Status of Implementation: Terms of Reference for this component prepared and contract signed with CETMO. This component was launched in spring 2015 (CA was signed in December 2014). A first proposal of thematic areas and indicators of the regional Observatory has been designed by CETMO. This work has been done taking into consideration best practices of Observatories and existing Macro-indicators to describe Logistics performance. This proposal has been shared with Tunisian Transport ministry in order to receive their comments and to include them. Second work currently taking place is the study of statistical data production in Tunisia to be used to elaborate the indicators. Work on this sub-component progresses satisfactorily.

Sub-component 3.3: Promoting the emergence of national observatories of logistics and transports

Status of Implementation: Terms of Reference for this component prepared and contract signed with CETMO. This component was launched in spring 2015 (CA was signed in December 2014). Tunisian authorities confirmed their interest to create a national observatory to monitor the progress of logistics development during the Logismed kick-off meeting. However, Tunisian resources (human and budgetary) dedicated to this effort are limited. Success of this sub-component is linked to reinforcement of human capacities in the ministry. These activities should be launched in October 2015.

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (x)</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1,423,000</td>
<td>1,423,000</td>
<td>1,423,000</td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b): 0 | 1,423,000 | 1,423,000 |
| Actual Amount Disbursed (c): 0 | 49,666 | 49,666 |

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Jun</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>26,000</td>
<td></td>
<td>26,000</td>
</tr>
<tr>
<td>2015</td>
<td>45,500</td>
<td>228,192</td>
<td>273,692</td>
</tr>
<tr>
<td>2016</td>
<td>230,070</td>
<td>216,380</td>
<td>446,450</td>
</tr>
<tr>
<td>2017</td>
<td>241,693</td>
<td>239,423</td>
<td>481,116</td>
</tr>
</tbody>
</table>
### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th></th>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>195,836</td>
<td></td>
<td>195,836</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
<td></td>
<td>1,423,094</td>
</tr>
</tbody>
</table>

|                | 142,000         | 0               | 142,000     |
## G. Results Framework and Monitoring

### Project Development Objective (PDO):

To support the enhancement of platform capacities as well as the creation of a collaborative network between these platforms.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistics Performance Index (LPI)</td>
<td>unit</td>
<td>3.17</td>
<td>n/a 2.55 3.45 6.0</td>
<td>Each 2 years</td>
<td>WB LPI report</td>
<td></td>
<td>Logistics Performance Index (LPI) measures the logistics “friendliness” of 155 countries</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour force occupied by the transport and logistics sector</td>
<td>%</td>
<td>5.99 (May 2012)</td>
<td>6.0 (1T 2013)</td>
<td>5.8 (1T 2014)</td>
<td>6.08 6.15 6.30</td>
<td>Once per year</td>
<td>National statistic institutes</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tones and value of the intra-Mediterranean external trade</td>
<td>Millions of Tones</td>
<td>3.5 (2008)</td>
<td>n/a 4.5 4.2 5.2</td>
<td>Once per year</td>
<td>COMTRADE (United Nations)</td>
<td></td>
<td>Volume and value of the exports and imports among the MENA countries.</td>
</tr>
</tbody>
</table>
**Intermediate Results**

**Intermediate Result:**

Component I: LOGISMED coordination

SCI.1: Promotion of the LOGISMED project

SCI.2: Definition of the LOGISMED platform network

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Number of platforms that study the opportunity to be part of the LOGISMED network</td>
<td># platforms</td>
<td>0</td>
<td>0 0 2 2 2</td>
<td>Once per year</td>
<td>Forms asking for information about procedures</td>
<td>Consortium leader</td>
<td>The promotion of the LOGISMED project try to disseminate the need to upgrade logistics and transport sector and also to implement logistics platforms under the LOGISMED standards</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> Number of platform infrastructures promoted by the national authorities</td>
<td># platforms</td>
<td>1</td>
<td>0 0 3 4 5</td>
<td>Once per year</td>
<td>Country planification / Projects launched</td>
<td>Ministry of transport</td>
<td>National structures are involved in the promotion of the Logistic platform offer</td>
</tr>
</tbody>
</table>

**Intermediate Result:**

Component II: LOGISMED Training Activities
### PDO Level Results Indicators*

<table>
<thead>
<tr>
<th>Intermediate Result Indicator One: Number of national logistics associations in place</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td># assoc.</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>Once per year</td>
<td>Ministry of transport</td>
</tr>
</tbody>
</table>

| Intermediate Result Indicator Two: Number of people participating in training (general public) | # persons | 0 | 0 | 15 | 100 | 120 | 120 | Once per year | Participants in the training sessions | Consortium leader | This indicator measure the capacity of the project to generate sufficient capacity in countries to provide independently a consolidated training offer |

| Intermediate Result Indicator Three: Number of platform workers trained | # workers | 0 | 0 | 0 | 150 | 200 | 250 | Once per year | Participants in the training sessions | Consortium leader | This indicator measure the capacity of the project to generate the human resources to operate the platforms |

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**Intermediate Result (Component Three):**
Component III: LOGISMED Observatory
SCIII.1: Action Plan for the LOGISMED Observatory
SCIII.2: Observe and analyze the region developments in logistic & transport
SCIII.3: Promotion the emergence of national observatories of logistics & transports

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Number of quality indicators in the database</td>
<td># records</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>12</td>
<td>20</td>
<td>Once per year</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> Number of national observatories in place or in progress to be set up</td>
<td># observ.</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>Once per year</td>
</tr>
</tbody>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
Regional Integration through Trade and Transport Corridors: Tunisia Activities

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name</th>
<th>Regional Integration through Trade and Transport Corridors (TRANSTRAC) – Tunisia Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name</td>
<td>Tunisia</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies)</td>
<td>European Investment Bank</td>
</tr>
<tr>
<td>Name of ISA Project Leader</td>
<td>Pasquale Staffini</td>
</tr>
<tr>
<td>Email of ISA Project Leader</td>
<td><a href="mailto:p.staffini@eib.org">p.staffini@eib.org</a></td>
</tr>
<tr>
<td>Recipient Entity</td>
<td>Ministry of Transport</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact</td>
<td>Mr. Sassi Hammami <a href="mailto:sassi.hammami@mt.gov.tn">sassi.hammami@mt.gov.tn</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>3,800,000.00</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>350,000 *</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>12/5/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>10/31/2014</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td></td>
</tr>
<tr>
<td>Primary Pillar:</td>
<td>Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s):</td>
<td>Inclusive Development and Job Creation Competitiveness and Integration Choose an item.</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The objective of TRANSTRAC is to promote the reduction of trade and transport barriers along the priority trade corridors of Tunisia and in related border crossings.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Satisfactory

Brief Summary of Project Implementation Status:

- A condition precedent for the EIB to procure and sign consultancy contracts for TA in beneficiary countries is the signing of a technical assistance (TA) Cooperation Agreement (CA) with the promoter or beneficiary country. The agreement was signed by Tunisia on 30.01.2015 and by the EIB on 12.02.2015.

- Component #1 contains regional activities – covering all TRANSTRAC countries. Services are supposed to start after Cooperation Agreements are signed by all beneficiary countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.
  
  a) Road Safety Action Programme, the ToR was completed and agreed with all relevant country authorities including Tunisia in mid-2014. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Morocco. Procurement is done and the consultant was selected. Activities will thus start in Tunisia in 3rd quarter of 2015.

  b) TA to transportation activity: by end 2014 ToR had been completed and agreed with all countries including the Tunisian authorities. This is a Regional TA to be procured in one Lot together with the actions in Jordan, Egypt and Morocco. Procurement will start in 3rd quarter of 2015.

- Component #2.1 East-West Strategic Corridor Study: Consulting Services started in end of April 2015. The first steering committee meeting was organised in Tunis on 15 June. Next milestone and steering committee meeting will be in November 2015 where an analysis of the proposed scenarios will be evaluated and a one to be chosen to advance into APS stage.
- Component #2.2 Sectoral Port and Logistics study: tendering process started following the signature of the cooperation agreement; tenders are expected to be submitted in the week starting 20 July 2015 with evaluation scheduled for the week thereafter. The assignment is expected to start in September 2015.

- Component #2.3: Rail Network Extension Study: Procurement has been finalized in June 2015 and the contract with the consulting company should be signed in September 2015

- Component #2.4 Upgrading of two Border Crossings: A revised selection of the location of border crossings was made during the second quarter of 2015 and ToRs were amended in accordance. Procurement of the related consultancy will be launched in the beginning of the third quarter of 2015 and consultant to be selected during the fourth quarter of 2015.

- Component #3 Project Management Unit (PMU), by end 2014 the ToR had been completed and agreed with the Tunisian authorities. ToRs are under discussion again with the Tunisian authorities. Procurement of the related consultancy will be launched in the third quarter of 2015 after ToRs have been agreed.

C. Implementation Status of Components

Component 1: Institutional and capacity building for regional and trade framework improvement.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Moderately Satisfactory</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Sub-component 1.1: TA to Customs

Status of Implementation:

This training component was cancelled in agreement with the counterpart to provide additional funds for the TA for border crossings (component 2.4).

Sub-component 1.2: TA to Transportation (regionwide component)

Status of Implementation:

TA to transportation activity in Tunisia focuses on i) driver training and improved vehicle inspection in public sector transport companies (Ministry of Transport), and ii) standardizing tender documents and price lists to streamline administrative procedures (Ministry of Equipment).

This is a Regional TA to be procured in one lot together with the actions in Morocco, Jordan and Egypt. Procurement will start after all Cooperation Agreements are signed by all countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.

By end 2014 ToR had been completed and agreed with all countries including the Tunisian authorities.

Sub-component 1.3: Preparation of Road Safety Assessment and Action Plan (regionwide component)

Status of Implementation:

MENA Region: Road Safety Action Programme, ToR completed and agreed with all relevant country authorities in mid-2014. This is a Regional TA to be procured in one Lot together with the actions in Morocco, Egypt and Jordan. Procurement is done and consultant selected. Services will start only after all Cooperation Agreements are signed by all countries. However following the May 2015 Steering Committee meeting, it was suggested to EIB and beneficiary countries that such regional activities could start without waiting for all country signatures.

Component 2: Preparatory studies for infrastructure improvements of the priority corridors
Sub-component 2.1: East-West Strategic Corridor study

Status of Implementation:

East-West Strategic Corridor Study, ToR completed and agreed with Tunisian authorities in mid-2014. Procurement is done and consultant selected. Consulting Services started in end of April 2015 with a kick off meeting. The first steering committee meeting was organised in Tunis on 15 June, where the inception report was presented and discussed.

Next milestone and steering committee meeting will be in November 2015 where an analysis of the proposed scenarios will be evaluated and one to be chosen to advance into APS stage.

Sub-component 2.2: Sectoral Port and Logistics study

Status of Implementation:

During a first fact finding mission to Tunisia in early 2014, it was agreed with the local authorities that all TA components in the ports and logistics sectors for which TRANSTRAC funds are available would be incorporated into one coherent study. The detailed approach and schedule for this TA package has been described in a project fiche, which was approved by the local authorities. A second detailed fact finding mission was subsequently carried out mid-August 2014, including site visits. On that basis ToR were drafted by EIB and agreed with the Tunisian authorities. The tendering process started following the signature of the cooperation agreement in January 2015 and tenders are expected to be submitted in the week starting 20 July 2015 with the tender evaluation scheduled for the week thereafter.

The assignment is expected to start in September 2015.

Sub-component 2.3: Rail Network Extension Study

Status of Implementation:

TOR of the Kalaa Sghira-Kairouan rail link finalized in agreement with Tunisian counterpart.

Procurement has been finalized in June 2015 and the contract with the consulting company should be signed in September 2015.

Sub Component 2.4: Upgrading of Border crossings

Status of implementation:

By end 2014 ToR had been completed and agreed with the Tunisian authorities. However events thereafter made it necessary to change the location of the two border posts to be studied. The selection of the location was made during the second quarter of 2015 and the ToRs amended in accordance.

Procurement of the related consultancy will be launched in the beginning of the third quarter of 2015 and consultant to be selected during the fourth quarter of 2015.
Status of Implementation:

A project management unit (PMU) will be established within the lead Ministry to monitor and coordinate implementation of the TAs. By end 2014 the ToR had been completed and agreed with the Tunisian authorities. However events thereafter and the delay in the signature of the Cooperation Agreement made it necessary to amend the ToR. They are presently (second quarter of 2015) under discussion with the Tunisian authorities.

Procurement of the related consultancy will be launched in the third quarter of 2015 after ToRs have been agreed again and consultant to be selected during the fourth quarter of 2015.

D. Disbursements of Transition Fund Funds for Direct Project Activities (US$)

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a):</td>
<td>0</td>
<td>3,600,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>0</td>
<td>3,600,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>0</td>
<td>150,000*</td>
<td>150,000</td>
</tr>
</tbody>
</table>
* EUR 140,000 or approximately USD 150,000 in prefinancing, initiated by EIB in June 2015 and being processed by the consultant

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td>1,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,300,000</td>
<td>800,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,000</td>
<td>0</td>
<td>200,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):** The objective of the proposed project is to promote reduction of trade and transport barriers along the priority trade corridors of the country and in related border crossings.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved and modernized</td>
<td></td>
<td>0</td>
<td>1</td>
<td>Bi-annually</td>
<td>Reports</td>
<td>PMCU</td>
<td>Quantitative: type of procedures</td>
</tr>
<tr>
<td>customs procedures and risk</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>compared to existing system and</td>
</tr>
<tr>
<td>management system in place</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>benchmarked internationally. Tested</td>
</tr>
<tr>
<td>by end of project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>risk management system</td>
</tr>
<tr>
<td></td>
<td># of participants</td>
<td>0</td>
<td>10</td>
<td>Bi-annually</td>
<td>Reports</td>
<td>PMCU and Focal Points</td>
<td>Quantitative – number of participants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td>who have successfully completed the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td>training</td>
</tr>
</tbody>
</table>

---

* PDO Level Results Indicators:

- **Indicator One:** Improved and modernized customs procedures and risk management system in place by end of project.
- **Indicator Two:** About 80 staff (from different sub-sectors: roads, maritime transport, railways, ports, logistics) trained in: different aspects of transport and others economic aspects such as PPP, strategic planning, regional planning, maritime transport and logistics, environmental and.
economic indicators... with study tours and exchange of experiences (35), road safety analysis and management (15), TIR certification and control (15), technical control and supervision of works, management of fleet of construction equipment, and construction project management (15)

Indicator Three: Studies completed:
(i) priority logistic center defined and technical studies for it completed;
(ii) priority transversal corridor(s), including border crossings, defined and technical studies completed;
(iii) Comparative study for siting of a deep water port, (iv) road safety action plan completed

<table>
<thead>
<tr>
<th>Percentage progress</th>
<th># of studies</th>
<th>50%</th>
<th>100%</th>
<th>Bi-annually</th>
<th>Reports</th>
<th>Studies produced</th>
<th>PMCU, Focal Points with EIB input</th>
<th>Quality and number of studies completed and approved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INTERMEDIATE RESULTS

Intermediate Result (Component One): Institutional arrangements, capacity building and regional trade framework

Sub-component A.1: TA to customs
Sub-component A.2: TA to transportation
Sub-component A.3: Road safety assessment and action plan

Intermediate Result indicator One: Improved and modernized customs procedures and risk management system in place by end of project

<table>
<thead>
<tr>
<th>1 set of procedures and 1 system</th>
<th>1</th>
<th>2</th>
<th>Bi-annually</th>
<th>Reports</th>
<th>PMCU</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

160
system and benchmarked internationally. Tested risk management system

<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: TA to transportation</th>
<th>Percentage progress and # of studies</th>
<th>Bi-annually</th>
<th>Reports Produced</th>
<th>PMCU, Focal Points with EIB input</th>
<th>Quality studies completed and approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) study for prioritizing logistics facilities; (ii) study for relevance to create a new structure for logistics management; (iii) strategy for the development of container ports at Bizerte; (iv) training to staff from different sub-sectors in: different aspects of transport and others economic aspects such as PPP, strategic planning, regional planning, maritime transport and logistics, environmental and economic indicators... road safety analysis and management, TIR certification and control, technical control and supervision of works, management of fleet of construction equipment, and construction project management.</td>
<td>0 10 40 80</td>
<td>Bi-annually Reports</td>
<td>PMCU and Focal Points</td>
<td>Qualitative-number of participants who have successfully completed the training.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator three: Road safety assessment and action plan</th>
<th>Percentage progress and action plan completed</th>
<th>3 -months</th>
<th>Reports</th>
<th>PMCU, Focal Points with EIB input</th>
<th>Quality study and action plan produced and approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage progress and # of participants</td>
<td>0 10 50% 100%</td>
<td>3 -months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
<td>Quality study and action plan produced and approved</td>
</tr>
</tbody>
</table>
**Intermediate Result (Component Two): Preparatory studies for infrastructure improvements of the priority corridors**
- Sub-component B.1: Preparation of selected activities for the transversal corridors from Algerian borders to Tunisian ports
- Sub-component B.2: Preparation of Economic Pole at Zarzis
- Sub-component B.3: Preparation of priority logistics centers as will be defined by the prioritization study
- Sub-component B.4: Preparation of priority logistics centers as will be defined by the prioritization study
- Sub-component B.5: TA for preparation of upgrading and expansion of Border crossing facilities

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Percentage progress and action plan completed</th>
<th>0</th>
<th>10</th>
<th>50%</th>
<th>100%</th>
<th>3-months</th>
<th>Reports</th>
<th>PMCU, Focal Points with EIB input</th>
<th>Quality studies completed and approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: Feasibility and technical studies for the transversal selected corridors from Algerian borders to Tunisian ports</td>
<td>Percentage progress and action plan completed</td>
<td>0</td>
<td>10</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
<td>Quality studies completed and approved</td>
</tr>
<tr>
<td>Two: Sectoral Port and Logistics study</td>
<td>Percentage progress and action plan completed</td>
<td>0</td>
<td>10</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
<td>Quality studies completed and approved</td>
</tr>
<tr>
<td>Five: Extension of railway network, preliminary design, detailed design and tender documents for reestablishing the 50 km Souss-Kairouan section</td>
<td>Percentage progress and action plan completed</td>
<td>0</td>
<td>10</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
<td>Quality studies completed and approved</td>
</tr>
<tr>
<td>Six: Border crossing facilities: preliminary and final design for layout and equipment of selected border crossings</td>
<td>Percentage progress and action plan completed</td>
<td>0</td>
<td>10</td>
<td>50%</td>
<td>100%</td>
<td>3-months</td>
<td>Reports</td>
<td>PMCU, Focal Points with EIB input</td>
<td>Quality studies completed and approved</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Three): Project Management, Coordination, Monitoring and Evaluation**
<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Quality reporting Time based</th>
<th>0</th>
<th>33</th>
<th>60%</th>
<th>100%</th>
<th>3-months</th>
<th>Reports</th>
<th>PMCU, with EIB input</th>
<th>Quality reporting, M&amp;E</th>
</tr>
</thead>
</table>


Establishment of Tunisia Investment Authority

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name:</th>
<th>Establishment of Tunisia Investment Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name:</td>
<td>Republic of Tunisia</td>
</tr>
<tr>
<td>Name of ISA Project Leader:</td>
<td>Najy Benhassine, Andrei Mikhnev, Mohamed El-Shiaty (IFC) Andreas, Schaal, Iza Lejárraga (OECD)</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies):</td>
<td>International Finance Corporation, Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>Email of ISA Project Leader:</td>
<td><a href="mailto:nbenhassine@worldbank.org">nbenhassine@worldbank.org</a>; <a href="mailto:amikhnev@ifc.org">amikhnev@ifc.org</a>; <a href="mailto:melshiaty@ifc.org">melshiaty@ifc.org</a> <a href="mailto:Andreas.schaal@oecd.org">Andreas.schaal@oecd.org</a>; <a href="mailto:Iza.lejaragga@oecd.org">Iza.lejaragga@oecd.org</a></td>
</tr>
<tr>
<td>Recipient Entity:</td>
<td>Ministry of Development and International Cooperation</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact:</td>
<td>Ms. Kalthoum Hamzaoui, General Director of Multilateral Cooperation, <a href="mailto:k.hamzaoui@mdci.gov.tn">k.hamzaoui@mdci.gov.tn</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>1,550,000 (IFC: 750,000; and OECD: 800,000)</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>TBD</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>829,750</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>2/20/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>7/1/2013</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>6/30/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td>Enhancing Economic Governance</td>
</tr>
<tr>
<td>Primary Pillar (select only one):</td>
<td>Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s) (select as many as applicable):</td>
<td>Inclusive Development and Job Creation</td>
</tr>
<tr>
<td>Competitiveness and Integration</td>
<td></td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: This project aims at improving the investment environment, increasing investments and increasing the number of firms investing by reforming the institutional framework responsible for investment-related functions in Tunisia. A revised institutional framework will help improve the investment attraction of the country in general by streamlining the different functions of existing investment-related institutions and providing clear mandates and government structures. In more detail, the project will aim at:

- Focusing on the development of an investment strategy to allow Tunisia to upgrade in global value chains
- Improving public sector governance, by clearly defining roles and responsibilities of the Investment institutions and ensuring public and private sector participation in investment-related decisions
- Reforming public service delivery, through the review, simplification and reengineering of investment-related processes;
- Providing institutional capacity building, through training of investment related institutions’ management and staff, exchange of experiences and knowledge (including south-south participation), study tours and other capacity building tools; and
- Introducing state-of-the-art IT tools including client tracking systems and website development.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Satisfactory

Brief Summary of Project Implementation Status:
The project is well on track and has benefited from the continued high-level interest of the Tunisian authorities. It allowed to stimulate the debate regarding the investment climate in Tunisia and provided policy options to further integrate the economy in the GVC notably through the integration in Tiva and provide comments on the investment code. The Government of Tunisia (GoT) has been actively engaged in the project, participating in the recruitment of local experts, reviewing and providing feedback on the analytical outputs, co-organizing and securing high-level participation in relevant events, and participating in peer-review and learning experiences. The project has been implemented in a sequential manner with Components 1 and 4 being implemented first, and the remaining components to be implemented next. Component 1 (analysis of the existing institutional framework) has been finalized, and activities under Component 2 (institutional design and governance) are at finalization stage. After elections and the appointment of the new government, the interest in adopting a new investment code and a revised institutional framework for investment were revived. Building on the studies and different scenarios developed with the help of IFC experts and a local firm, a revised draft investment code...
and a revised institutional set-up were developed in May 2015. The revised draft code has been submitted to three restrained ministerial councils since then, with the intention to submit it to the Parliament by the end of the summer. Deliverables under Component 2 will be fine-tuned and detailed according to the final government decision.

Component 4 (Sector-specific Investment Strategies to upgrade Tunisia in the GVCs) is at the finalization stage, with a final publication expected in Fall 2015. The preliminary report reviewing the coherence of Tunisia’s policies facilitating the country’s participation in Global Value Chains (GVCs) was presented at a high-level OECD event held in 10-11 March 2015, which was marked by the visit of the OECD Secretary General to Tunisia. The release of the OECD-WTO Trade in Value-Added (TIVA) database is expected in summer 2015, and Tunisia will be the first country integrated into the OECD TIVA database. The final TIVA data will be integrated into the publication. The Government has expressed interest in designing a concrete action plan to implement the policy recommendations of the report.

Component 3 (Horizontal Linkages and Consultation Platform) is being discussed with the Government, and consultations are underway between the Ministry of Development and International Co-operation, the Ministry of Trade and Ministry of Transport to restructure this component in order to better respond to the current situation and address the challenges and priorities of the current Tunisian government. A proposal for changing the output of this component is being jointly developed and may focus on the role of transport and related infrastructure and logistics in upgrading the Tunisian economy into GVCs.

The main activities under Components 5 and 6 will start after GOT chooses its desired institutional model. At this stage, a first draft of the baseline report describing key procedures in the investor project life cycle has been developed, and presented to the Tunisian Government. The delays in adopting the investment code, and subsequently the proposed institutional framework, have an impact on the intended start date of Components 5 and 6, causing unexpected delays.

**Key issues**

The reform of the institutional framework and the establishment of a High Authority of investment have fallen behind the original schedule used for the design of the Investment Authority project. This delay has an impact on the design and the progress of some components of the project, namely component 3 as well as components 5 and 6.

The delayed reform schedule impacting the project implementation is detailed below:

- In 2013, the Tunisian government has developed a new draft investment code in order to meet the country’s development challenges. This project also included a revision of the institutional framework and the establishment of a High Authority for Investment
- In 2014, the transitional government, decided to withdraw the draft code from the Parliament
- In 2015, the new elected government revived the project. A new version, which draws on OECD and IFC recommendations, was recently finalized and submitted to the Cabinet. The law might soon be considered by the Assembly of People’s Representatives.

Once the law will be passed, and the institutional framework for the investment regime will hence be determined, components 5 and 6 can be rolled out. In the meantime, component 3, recognizing the delays, will be restructured.

In the reporting period ending December 2015, the Tunisian Government and IFC/OECD will jointly assess if a one-year extension is necessary to conduct the planned activities under components 3, 5 and 6.

### C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Institutional Framework Analysis (IFC and OECD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous Rating:</strong> Satisfactory</td>
</tr>
<tr>
<td><strong>Current Rating:</strong> Satisfactory</td>
</tr>
<tr>
<td>Cost (US$): IFC budget: 100,000</td>
</tr>
<tr>
<td><strong>Sub-component 1.1:</strong> Baseline and Benchmark Reports</td>
</tr>
</tbody>
</table>

**Status of Implementation:**

Component 1 (analysis of the existing institutional framework) has been finalized: Both the baseline and benchmark reports, which were developed with the help of a local firm and IFC experts, have been presented to the COMEX (Executive Committee) and the new Minister of Development and International Cooperation. The baseline and benchmark reports have allowed to identify the main shortcomings of Tunisia’s current institutional framework in terms of functional, sectoral and geographic coverage, and to draw best practices and lessons learned from other countries experiences that are beneficial in the Tunisian context.

<table>
<thead>
<tr>
<th>Component 2: Institutional Design and Governance of Investment-related Agencies (IFC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Previous Rating:</strong> Satisfactory</td>
</tr>
<tr>
<td><strong>Current Rating:</strong> Satisfactory</td>
</tr>
<tr>
<td>Cost (US$): IFC budget: 250,000</td>
</tr>
<tr>
<td><strong>Sub-component 2.1:</strong> Development of Scenarios for the future institutional framework</td>
</tr>
</tbody>
</table>

**Status of Implementation:**

Activities under Component 2 (Institutional Design and Governance) are well on-track: Building on the reports of Component 1, the team responsible for the project (the Government’s Executive Committee for the project “COMEX”, the
IFC team, and the local firm hired to assist) developed multiple scenarios to improve the institutional framework, that vary in terms of effectiveness, and ease/timeframe of implementation. The different scenarios were presented to the new Minister of Development and International Cooperation, and were used as an input for the revised draft code, including the chapter on institutional set-up, that was developed by MDCI in April 2015, and submitted to the Cabinet for approval in May/June 2015. Deliverables under Component 2 will be fine-tuned and detailed according to the final government decision.

Component 3: Horizontal Linkages and Consultation Platform (OECD)

<table>
<thead>
<tr>
<th>Previous Rating:</th>
<th>Current Rating:</th>
<th>Cost (US$):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>OECD budget: 234,250</td>
</tr>
</tbody>
</table>

Sub-component 3.1: Horizontal Linkages and Consultation Platform (OECD)

Status of Implementation:
As mentioned earlier, the revision of the institutional framework and the establishment of the Investment authority are falling behind the original roadmap envisaged by the government. In addition, there are still uncertainties regarding the nature and the timeline of the reform notably regarding the design of the new investment authority. This renders the activities originally foreseen for this component which are closely linked to the new institutional setting untimely and difficult to implement.

In this context, the OECD discussed with the Tunisian Government a restructuring of this component which will better respond to this current situation and address the challenges of the Tunisian government. A proposal for a change in the outputs of this component is being jointly developed and may focus on another pressing priority for the Tunisian Government where OECD input would be timely i.e. the role of transport related infrastructure and logistics in upgrading the Tunisian economy in the GVCs. The related ministries are very supportive to the implementation of this change. The request for restructuring, in accordance with the Transition Fund Guidelines, will be shortly shared with the Coordination unit.

Component 4: Sector-specific investment Strategies to upgrade Tunisia in the GVCs (OECD)

<table>
<thead>
<tr>
<th>Previous Rating:</th>
<th>Current Rating:</th>
<th>Cost (US$):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>OECD budget: 515,350</td>
</tr>
</tbody>
</table>

Sub-component 4.1: Analytical report on investment policies impacting Tunisia’s participation in GVCs

Status of Implementation:
The finalization of this report has ramifications for Tunisia beyond the mere output of an analytical work to guide investment policies in GVCs: it paved the way for the country to be fully integrated in the Trade in Value-Added (TiVA) database, a WTO-OECD joint initiative that measures the value added by each country in the production of goods and services that are consumed worldwide. It will allow it to better understand the nature of its participation in GVCs and adopt appropriate policies accordingly.

A preliminary version of the report was launched at a high-level event coinciding with the visit of the Secretary General to Tunis, which benefited from the participation of the Tunisian Secretary of State and other high-level authorities. A dedicated seminar on Improving the Investment Climate was held during the OECD Days in Tunisia to discuss the findings of the GVCs report (see http://www.oecd.org/mena/investment/journees-menaoecd-en-tunisie.htm), with high level political participation including the Secretary of State to the Minister of Investment and the International Cooperation and the Director of the Foreign Investment Promotion Agency (FIPA). The findings of the report were also mainstreamed into the OECD Better Lives flagship report “Tunisia - A Reform Agenda to Support Competitiveness and Inclusive Growth,” which was published and launched by the OECD Secretary General during this event. The Tunisian government will rely on the findings of the report to address the key obstacles to Tunisia's participation in GVCs, in particular in four policy areas – investment policy and promotion, trade policy and trade facilitation, and infrastructure and backbone services.

The TiVA database is currently planned to be released on June, 30, 2015, and Tunisia will become the first Arab country to be integrated into the OECD TiVA database. A publication with the final TiVA figures will be released in the Fall 2015. The report has also informed the revision of the new Investment Code, which will soon be considered by the Assembly of People's Representatives.

Component 5: Institutional Capacity Building (IFC)

<table>
<thead>
<tr>
<th>Previous Rating:</th>
<th>Current Rating:</th>
<th>Cost (US$):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>IFC budget: 150,000</td>
</tr>
</tbody>
</table>

Status of Implementation:
Activities will start after the end of implementation of the first and second components’ activities, and after GOT chooses its desired institutional model, which got delayed due to the delays in adoption of the investment code. Activities under this component are expected to start in Q4 2015.

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Component 6: Process and IT (IFC)

Previous Rating: Satisfactory  
Current Rating: Moderately Satisfactory  
Cost (US$): IFC budget: 250,000

Status of Implementation:
The main activities for the development of new processes or IT systems will start after the end of implementation of the first and second components’ activities, and after GOT chooses its desired institutional model, which got delayed due to the delays in the adoption of the investment code. At this stage, a first draft of the baseline report describing key procedures in the investor project life cycle has been developed, and presented to the Tunisian Government.

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
</table>
| Approved Amount for Direct Project Activities (a): | Not applicable | IFC: 750,000  
OECD: 749,600 | IFC: 750,000  
OECD: 749,600 |
| Amount Received from Trustee (b): | Not applicable | IFC: 750,000  
OECD: 472,506 | IFC: 750,000  
OECD: 472,506 |
| Actual Amount Disbursed (c): | Not applicable | IFC: 247,949  
OECD: 531,401 | IFC: 247,949  
OECD: 531,401 |

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
</table>
| 2015 |          | IFC: 250,000  
OECD: 188,199 | IFC: 250,000  
OECD: 188,199 |
| 2016 | IFC: 252,051  
OECD: 30,000 | | IFC: 252,051  
OECD: 30,000 |

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD: 50,400</td>
<td>OECD: 0</td>
<td>OECD: 50,400</td>
</tr>
</tbody>
</table>

---

5 Commitments stand at USD 56,931
G. Results Framework and Monitoring

The targets for PDO and intermediary results will be agreed with the Government of Tunisia, IFC and OECD during the next reporting period.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td>US Dollars</td>
<td>To be provided by MDCI</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td>Number</td>
<td>To be provided by MDCI</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td>Number</td>
<td>To be provided by MDCI</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
</tr>
<tr>
<td><strong>Indicator Four:</strong></td>
<td>US Dollars</td>
<td>To be provided by MDCI</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

**Intermediate Result (Component One): Institutional Framework Analysis**

| Intermediate Result Indicator One: Study completed | Number | Zero | TBA | TBA | TBA | TBA | Yearly | IFC/OECD report | IFC/OECD and MICI |
### Intermediate Result (Component Two): Institutional Set-up

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Number of decrees/laws enacted by GoT/Parliament</th>
<th>Number</th>
<th>Zero</th>
<th>One</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>Yearly</th>
<th>National Gazette / Government records</th>
<th>MDCI</th>
<th>Number of decrees/laws enacted by GoT/Parliament</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Two: Number of Board members appointed and key staff hired</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>Appointment letters / Authority HR department</td>
<td>MDCI</td>
<td>Number of Board members appointed and key staff hired</td>
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</table>

### Intermediate Result (Component Three): Horizontal linkages

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Number of consultations held</th>
<th>Number</th>
<th>Zero</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>Yearly</th>
<th>MDCI</th>
<th>MDCI</th>
<th>Number of consultations held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Two: Number of policies and/or procedures effectively improved</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>National Gazette / Government records / enterprise surveys</td>
<td>MDCI</td>
<td>Number of policies and/or procedures effectively improved</td>
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</table>

### Intermediate Result (Component Four): Investment Strategy for Upgrading in GVCs

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Study completed</th>
<th>Number</th>
<th>Zero</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>Yearly</th>
<th>OECD report</th>
<th>OECD/MDCI</th>
<th>Study completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Two: An action plan based on the study recommendations prepared</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>MDCI</td>
<td>OECD/MDCI</td>
<td>The project is moving towards the preparation of such an action plan</td>
</tr>
<tr>
<td>Intermediate Result indicator Three: Number of policy and institutional improvements</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>National Gazette / Government records</td>
<td>MDCI</td>
<td>Number of policy and institutional improvements</td>
</tr>
<tr>
<td>Intermediate Result indicator Four: Investment trends</td>
<td>US Dollars</td>
<td>To be provided by MDCI</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>MDCI</td>
<td>MDCI</td>
<td>Investment trends, as consultation by investors</td>
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</tbody>
</table>
### Intermediate Result (Component Five): Institutional Capacity Building

<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>Number</th>
<th>Zero</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>Yearly</th>
<th>Attendance Sheets</th>
<th>MDCI</th>
</tr>
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<tbody>
<tr>
<td><strong>One</strong>: Number of training sessions / workshops / seminars / conferences</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>Attendance Sheets</td>
<td>MDCI</td>
</tr>
<tr>
<td><strong>Two</strong>: Number of participants in the training sessions / workshops / seminars / conferences</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>Attendance Sheets</td>
<td>MDCI</td>
</tr>
</tbody>
</table>

### Intermediate Result (Component Six): Process and IT Support

<table>
<thead>
<tr>
<th>Intermediate Result Indicator</th>
<th>Number</th>
<th>Zero</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>TBA</th>
<th>Yearly</th>
<th>MDCI / IFC project reports</th>
<th>MDCI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One</strong>: Number of procedures / policies eliminated or improved</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>MDCI / IFC project reports</td>
<td>MDCI</td>
</tr>
<tr>
<td><strong>Two</strong>: Number of procedures automated</td>
<td>Number</td>
<td>Zero</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>TBA</td>
<td>Yearly</td>
<td>MDCI / IFC project reports</td>
<td>MDCI</td>
</tr>
</tbody>
</table>

**Indicate ‘A’ for Actual and ‘F’ for Forecast**
## Strengthening the Employability of Youth during Tunisia’s Transition to a Green Economy

### A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name:</th>
<th>Strengthening the Employability of Youth during Tunisia’s Transition to a Green Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name:</td>
<td>Tunisia</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies):</td>
<td>OECD and IsDB</td>
</tr>
<tr>
<td>Name of ISA Project Leader:</td>
<td>OECD: Mr Andreas Schaal; Mr. Alessandro Goglio; IsDB: Mr. Abderrahman Beddi</td>
</tr>
<tr>
<td>Email of ISA Project Leader:</td>
<td><a href="mailto:Andreas.Schaal@oecd.org">Andreas.Schaal@oecd.org</a>; <a href="mailto:Alessandro.goglio@oecd.org">Alessandro.goglio@oecd.org</a> / <a href="mailto:mbeddi@isdb.org">mbeddi@isdb.org</a></td>
</tr>
<tr>
<td>Recipient Entity:</td>
<td>Ministry of Vocational Training and Employment (MTVE)</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact:</td>
<td>Mr Youssef Naouar (<a href="mailto:youssef.naouar@mfpe.gov.tn">youssef.naouar@mfpe.gov.tn</a>)</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>4,475,000</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>US$ 1,750,000 from the Tunisian Bank of Solidarity (BTS). US$ 300,000: Country Co-financing</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td></td>
</tr>
<tr>
<td>Direct Costs:</td>
<td></td>
</tr>
<tr>
<td>IsDB: US$ 209,140</td>
<td>OECD: 486,675</td>
</tr>
<tr>
<td>Indirect Costs:</td>
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</tr>
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<td>OECD: 38,325</td>
<td>IsDB: 55,000</td>
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<tr>
<td>Steering Committee Approval Date:</td>
<td>7/22/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>9/1/2013</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td></td>
</tr>
<tr>
<td>Primary Pillar:</td>
<td>Inclusive Development and Job Creation</td>
</tr>
<tr>
<td>Secondary Pillar(s):</td>
<td>Choose an item. Investing in Sustainable Growth Enhancing Economic Governance</td>
</tr>
</tbody>
</table>

### B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:**

The Project Development Objective is to support the Tunisian government in its endeavour to set the Tunisian economy on a path of more sustainable and inclusive growth, in particular by strengthening the employability of Tunisian young generations. This is achieved by means of two concrete deliverables:

a) The definition of a comprehensive action plan for youth. In line with the goals of the National Employment Strategy, the action plan will set out practical policy guidelines conducive to the creation of an enabling environment where Tunisian youth can realise their work aspiration through the right skills mix needed to integrate themselves into the formal labour market, while at the same time accessing more stable, more productive and better quality jobs.

b) The Project will also lay essential ground for supporting the transition of the Tunisian economy towards a wide range of "new emerging sectors", particularly in the domain of the green economy. In this context and as a test case, a key feature of the Project will be the development of new "green jobs" opportunities.

**Rating for progress towards achievement of objective:** Moderately Satisfactory

**Rating for overall implementation progress:** Moderately Satisfactory

**Brief Summary of Project Implementation Status:**
As far as Component 1 is concerned, the project has been completed. On 7 October the OECD team working on the project travelled to Tunis to present the draft report at an informal seminar organised by the Ministry of Vocational Training and Employment (MVTE). The seminar gathered forty participants from several ministries and governmental institutions. The OECD report was extremely well received, with all participants appreciating its capacity to put the many specific policy recommendations set out within the context of a comprehensive strategic framework to raise the employability of Tunisian youth and the quality of their jobs. In the following weeks the MVTE has collected written comments from the bodies represented at the Seminar, on which basis the OECD team has finalised report. The revised report was sent to the MVTE on 16 December 2014, and any additional comments received were subsequently worked into the report. The final report was launched on the 9th of March 2015 in Tunis by the Secretary General of the OECD and the Minister of Vocational Training and Employment. Of Tunisia. The report was also presented at a number of other events across Tunisia in the days following the official launch, and received considerable media coverage.

The implementation of Component 2 has been delayed due to the following points: (i) required preparatory phase for the finalization of the implementation arrangements (signature of the financing agreement between the Government of Tunisia and IsDB, opening of the special account, approval of the breakdown of the financing plan among different components and sub-components including the UNOPS fees). This phase has been completed; (ii) long procurement process for the selection of project personnel. To date, the recruitment of the following positions has been finalized: National Coordinator, International Advisor, Regional Coordinator, Project Assistants at national and regional level and one driver. The evaluation reports for the selection of senior and junior advisors in professional integration, placement and entrepreneurship have been submitted to IDB non objection; and (iii) delay in the presentation of the auditing report of the special account for 2014. Some activities have been started by the National Coordinator and the International Advisor such as: field visits, participation to seminars, identification of potential partners, etc. A pilot action for starting the actual implementation of business creation for 12 beneficiaries has been launched.

C. Implementation Status of Components

Component 1: OECD Report on Investing in Youth Tunisia: Strengthening the Employability of Youth during Tunisia’s Transition to a Green Economy (ISA: OECD).

This report provides an in-depth analysis of the obstacles to improve labour market outcomes in the formal sector for Tunisia’s youth and discusses the most promising labour market and social policies to remove them. The report also proposes viable policy strategies for promoting employment and employability among under-represented youth, such as women. Furthermore, it identifies cost-effective policy options to strengthen the vocational education and training system and to move towards effective entrepreneurship support programmes. The report also lays the ground to support Tunisia’s youth in the transition towards a green economy, which is a key priority for the country. The report is in 5 Chapters, plus an executive Summary and a self-contained Policy Toolkit Chapter (Chapter 0), which as extracted from the main Report and reproduced as a separate Brochure. The report is complete in both English and French.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>USD 487,000</td>
</tr>
</tbody>
</table>

Component 2: DEVELOPING AND IMPLEMENTING THE GREEN JOBS PLATFORM (ISA: IDB)

This component is executed by the Ministry of Vocational Training and Employment (MTVE) with the support of UNOPS (United Nations Office for Project Services), as implementing partner. This component is the pilot to test new approaches for employability and using the green market opportunities for developing job options for qualified youth. The pilot governorate that has been selected by the Government is Bizerte based on specific criteria such as potentialities of green market, dynamic youth organizations, committed local authorities, active private sector and so forth. The component aims at improving the employability of 850 young graduates in different sectors of the green economy over four main subcomponents. The component foresees interventions that require an established management team to guide it. Provision of monitoring and backstopping will ensure outputs that will meet the quality expected. This pilot scheme will reach out to each district in the
selected governorate where the MTVE has employment offices (these can range between 5 and 7 offices). The implementation progress may be summarized as follows:

**Procurement process:**

- **Selection process and recruitment of the following position:**
  - 2 project assistants (national and regional level),
  - 1 regional coordinator,
  - 1 driver

The contract for these positions has been signed (starting date July 1st 2015) on exceptional basis pending the replenishment of the special account.

- **The recruitment process for the following positions has been completed and submitted for IsDB non-objection:**
  - Senior Advisor (AD) in professional integration (Conseiller(ère) sénior en intégration professionnelle) : 3 positions
  - Junior Advisor (AD) in professional integration and placement (Conseiller(ère) junior en intégration professionnelle & placement) : 6 positions
  - Junior Advisor (AD) in entrepreneurship (Conseiller(ère) junior en création d'entreprises) : 6 positions
  - Senior Advisor (AD) in entrepreneurship (Conseiller(ère) sénior en création d'entreprises) : 9 positions

- **The recruitment process of a new national coordinator has been finalized (following the unavailability of the former national project coordinator due to her involvement in the political field).** The target starting date is Sept 1st 2015;

- **The Terms of Reference of the following project personnel are prepared and under validation.** The target date for posting these positions is August 31st, 2015;
  - Eco-enterprises support Junior Advisors (Conseiller Junior en Eco Entreprise )
  - Coaching Junior Advisors (Consultant- coach junior );
  - Consultant on Eco-business (Conseiller en Eco Entreprise );
  - Consultant on Business Promotion (Consultant en Marketing);
  - Consultant on Coaching (Consultant – coach senior);
  - Consultant on Networking (Consultant en Networking).

- **The Procurement of the following items has been achieved and delivered**
  - 2 cars (VW Jetta and VW Amarock);
  - Office furniture for the national and regional offices;
  - IT equipment.

**Missions and workshops:**

- Some missions and field visits have been performed to meet the stakeholders concerned and identify cooperation and synergy possibilities with the following institutions:
  - National observatory of employment and qualifications (ONEQ)
  - National Center for Training of Trainers and Training of Engineering (CENAFFIF)
  - International Centre for Environmental Technologies (CITET)
  - 6 Offices of employment (BETI°) in the Governorate of Bizerte (El-BETI Aalia + Space Entreprendre + BETI Bizerte, Menzel Bourguiba + BETI Mateur + BETI Utica).

- Under the supervision of the Minister of MTVE, the IsDB representative, the Governor of Bizerte, the Tunisian Parliament deputies, private sectors, civil society and other public sectors, a quick off day was organized in Bizerte to present the Green Jobs Platform and the result of the study conducted by the OECD (March 12th 2015);
Decentralized cooperation to explore the potential of partnership in the field of green jobs, the transfer of know-how in individual graduates accompaniment, in the counseling, coaching, training and support:

- Swiss institutions (OSEO-VD, Geneve et Vaud, IPT-Jeunes at Works Genève, professionnelle EHB IUFFP IUFFP, Genilem, Valais Canton, ORP Monthey, CleantechAlps)
- French institutions (Pôle emploi France,...)
- Private sectors
- NGO (WWF, CAWTAR, etc.)

On Feb 2015, IsDB, MTVE and UNOPS agreed jointly to launch pilot phase for some beneficiaries in business creation field. A pool of 12 young entrepreneurs were selected as part of the "employment generation program for young people in Tunisia" supervised by UNDP in Bizerte back in 2013 (starting date Mars 15th till June 30th 2015).

The purpose of this specific action is to:
- Capitalize on the acquired know how provided by UNDP and give a meaning to international cooperation in line with the PEV methodology;
- Test the concept of individualized support in creating green businesses;
- Refine and adapt the project methodology based on needs identified in the field;
- Identify the needs of these beneficiaries in terms of training, technical support and other support.

The project team (UNOPS and MTVE) had the following activities for the potential beneficiaries:
- Personal interview with international advisers via workshop and Skype;
- Diagnosis of the Business opportunity;
- Assessment of communication plans;
- Financial advice from subject matter expert;
- Workshops (2) on the approach of "Business Architecture".

It was noted that some of the selected beneficiaries have shown no interests in continuing the process of individual support. To continue the rest of the activities scheduled under this pilot action and more specifically the personalized support for the remaining entrepreneurs, it is necessary to replenish the special account.

Monitoring and communication tools:
- Preparation of the detailed project work plan;
- Preparation of detailed work plan for the specific Action (June 30th);
- Resource mobilisation plan;
- Establishment of reporting and communication tools for the project.

Key deliverables finalized:
- Signed agreement between UNOPS & MTVE (ANETI);
- Methodology: modular approach for professional integration in green jobs, Tunisia (submitted to the technical committee for approval);
- Methodology: modular approach for Business creation in green jobs, Tunisia (submitted to the technical committee for approval);
- Learning Plans for Business creation and professional integration (submitted to the technical committee for approval);
- Communication supports (Flyers, Roll up etc..);
- Monthly Flash news (under preparation).

<table>
<thead>
<tr>
<th>Previous Rating: Moderately Unsatisfactory</th>
<th>Current Rating: Moderately Unsatisfactory</th>
<th>Cost (US$): US$ 3,850,000</th>
</tr>
</thead>
</table>

Sub-component 2.1: Youth Professional Development in the field Green Jobs Market
Enrolled young unemployed graduates will benefit up to four weeks of training combining theoretical knowledge and practical hand on experience/operational know-how in the field of "green jobs". They will be provided with the necessary support, monitoring, supervision and backstopping by local and international experts in professional integration and
individual trainings before, during and after their conversion to the green economy sector. To this effect a number of tools and instruments will be established to allow the achievements foreseen: (i) Integrated Training to cover know-how, interpersonal skills, job search techniques and key knowledge concerning the green economy. (ii) The Eco Experience to develop practical skills in a green business with a growth potential. It provides an appropriate way to deal with the lack of practical experience for new graduates. The Eco-experience also seeks to strengthen employment-generating projects in the area of green economy. (iii) Coaching and mentoring by several actors (mentors, trainers, integration advisors and employment advisors) to advise, support and orient beneficiaries. (iv) Participation to conferences and debates on the employment and green market. Lecturers are practitioners as well as potential employers.

**Status of Implementation:** preparatory phase

The National Coordinator and international Advisor have been recruited in August 2014 and the activities of the project have started actually on Oct 2014. Due to the delay in the procurement process for the selection of project personnel, the National Coordinator and international Advisor have been in charge of all the project activities: support, coordination and planning.

**Sub-component 2.2: Green Business Creation**

This sub-component aims at providing On-the-Job Training (OJT) to the enrolled group of unemployed youth graduates to create their “Cleantech companies”. Local and international experts will coach the selected entrepreneurs throughout the process of business creation and start up. The ultimate objective of this subcomponent is to contribute to the establishment of an integrated Cleantech value chain (ex. in the solid waste recycling sector). A series of instruments will be made available to facilitate the launch of the selected “Cleantech projects” such as financial and technical assistance, guarantee funds and incubation to facilitate proper development, and other active measures related to the establishment of green enterprises.

**Status of Implementation:** pilot phase

A pilot phase for 12 beneficiaries has been launched. The design of the instruments and the methodology has been prepared by the International Advisor and is submitted for clearance by the technical committee.

**Sub-component 2.3: Financial support**

The Project will provide financial support to youth entrepreneurs through micro finance schemes to set-up their own “Cleantech Companies”. It is expected that 50 start-ups will be established, each one will benefit from a financing support of about US$ 35,000. This subcomponent will be financed by the Tunisian Bank for Solidarity (BTS) under the coordination of the GJP Steering Committee.

**Status of Implementation:** The discussions with BTS have started and the principle is agreed upon. Further discussions are needed to establish the eligibility criteria and discuss the possibility of having a special treatment for the project beneficiaries especially in terms of the amount to be allocated for the creation of cleantech enterprises.

**Sub-component 2.4: Capacity development of local partners**

This subcomponent aims at building the capacities of the locally identified advisors, MTVE and BTS staff in the pilot governorate as well as the central level through training sessions and personalized curricula. Under this subcomponent, the Project will benefit from international experienced and qualified experts to ensure effective transfer of knowledge and know-how for employability, employment and integration advisors. The subcomponent will include: (i) Training of Employability Advisors; (ii) Training of Employment Advisors; (iii) Training of Integration Advisors; (iv) Capacity Building for MTVE and BTS staff.

**Status of Implementation:** The activities of this sub-component have not yet started as we need to identify the local advisors then design the appropriate type of training and backstopping programme. The same scheme will be applied for the MTVE and BTS personnel. These tasks will be performed by the National Coordinator, regional coordinator and the International Advisor.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approved Amount for Direct Project Activities (a):</strong></td>
<td>3,850,000</td>
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<td><strong>Amount Received from Trustee (b):</strong></td>
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<tr>
<td><strong>Actual Amount Disbursed (c):</strong></td>
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*A disbursement request for an amount of US$ 280,941 is pending the presentation of the auditing report for 2014*
### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
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</tr>
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<td>2015</td>
<td>IsDB: 280,941</td>
<td>IsDB: 759,919</td>
<td>IsDB: 1,040,860</td>
</tr>
<tr>
<td>2016</td>
<td>IsDB: 600,000</td>
<td>IsDB: 600,000</td>
<td>IsDB: 1,200,000</td>
</tr>
<tr>
<td>2017</td>
<td>IsDB: 700,000</td>
<td>IsDB: 700,000</td>
<td>IsDB: 1,400,000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD: 38,325 USD</td>
<td>OECD: 0</td>
<td>OECD: 38,325 USD</td>
</tr>
<tr>
<td>IsDB: 55,000</td>
<td>IsDB: 45,000</td>
<td>IsDB: 100,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

It is so important to mention that the actual implementation of the project has started on Oct 2014 not in Sept 2013 due to the long period of the preparatory phase. Furthermore, the long procurement process and consequently the delay in the recruitment of the required human resources (Regional coordinator, Project Assistants...) has negatively impacted the project implementation. For these reasons, the indicators need to be revised in order to take into consideration the actual starting date of the project.

<table>
<thead>
<tr>
<th>Project Development Objective (PDO):</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDO Level Results Indicators*</td>
</tr>
<tr>
<td>---------------------------------</td>
</tr>
<tr>
<td><strong>Indicator One:</strong> OECD report assessing the broader policy framework for investing in youth, in particular to promote the employability of youth, through better labour market, education and training policies.</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Enrolled beneficiaries are employed or have launched their own projects</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Creating small and medium sized &quot;Cleantech Companies&quot;.</td>
</tr>
<tr>
<td><strong>Indicator Four:</strong> Direct and indirect jobs generated by the “Cleantech Companies”</td>
</tr>
</tbody>
</table>

INTERMEDIATE RESULTS

Intermediate Result (Component One): Comprehensive VT and Employment policy framework analysis

| Intermediate Result indicator One: Co-ordination platform for monitoring VT and employment related policies | Inter-ministerial taskforce set up to co-ordinate inputs to policy review process | 0 | 0 | 1(A) | 0 | 0 | 6 months | Regular communication with task-force partnering in policy review process | Inter-ministerial taskforce led by MVTE + OECD + IDB | Preparation of OECD questionnaire. The MFPE will be in charge of providing answers to the questionnaire, possibly consulting with other experts and officials from the relevant Tunisian authorities. Collection of responses from MFPE. Kick-off seminar back-to-back with OECD mission. Reporting back seminar |
before finalisation of OECD report to collect comments and feedbacks from Tunisian authorities on preliminary draft. OECD to host a labour economist on secondment from the MFP for a period of six months.

**Intermediate Result indicator Two:** Invest in Youth: Tunisia’s Report completed

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Organization structure, pilot identified, staffing and skill requirements, including gender focus approach,</th>
<th>Organization structure, pilot identified, staff skills, procedures defined, gender focus</th>
<th>0</th>
<th>0</th>
<th>1 (A) Partially</th>
<th>0</th>
<th>0</th>
<th>6 months</th>
<th>Reports</th>
<th>OECD, MFPE and IDB teams attending two workshops (together with other experts)</th>
<th>OECD Report completed, published and disseminated. Publication of OECD report on policy Options for Investing in Youth will complete the mission of the OECD.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> youth professional preparation for the green markets’ jobs and its potential in Tunisia: approach, arrangements and material prepared</td>
<td>Approach including a combined set up of an integrated (academic and practical) training &amp; eco-experience, coaching and mentoring arrangement in place.</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>6 months</td>
<td>Workplan and implementation set up; reports</td>
<td>GIP Steering Committee + IDB + UNOPS</td>
<td>GIP organization structure is defined; pilot identified, staff skill requirements are established including gender focus.</td>
<td></td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Three:</strong> Integrated Training sessions are organized as well as eco-experiences and coaching and mentoring programmes</td>
<td># enrolled beneficiaries # external participants/experiences sharing country experiences</td>
<td>0</td>
<td>0</td>
<td>12 (A) Partially</td>
<td>48</td>
<td>90</td>
<td>10 months</td>
<td>Arrangements and integrated training pack, eco experience, coaching and mentoring programme prepared</td>
<td>GIP Steering Committee + IDB + UNOPS+ feedback from enrolled beneficiaries</td>
<td>Arrangements and integrated training pack are prepared, including eco-experience, coaching and mentoring programmes;</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Four:</strong> Cleantech companies are created and established including its related technical and financial instruments</td>
<td># of companies</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>50</td>
<td>10 months</td>
<td>MVTE statistics on creation of start-ups accompanied by the GJP.</td>
<td>GIP Steering Committee + IDB + UNOPS</td>
<td>Technical and financial instruments established to facilitate Projects launched and established in the framework of the Green Jobs Platform</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Five:</strong> Direct and Indirect Jobs are generated</td>
<td># of jobs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>300</td>
<td>10 months</td>
<td>MVTE statistics, Mission report of monitoring and evaluation and periodic</td>
<td>GIP Steering Committee + IDB + UNOPS</td>
<td>Number of direct and indirect jobs generated by the Cleantech companies + incubators</td>
</tr>
</tbody>
</table>
**Intermediate Result indicator Six:**
Capacity Development provided for selected MVTE staff and qualified youth in the pilot governorate

| # of staff in training, internships and exchange programme | 0 | 0 | 0 | 40 | 50 | 6 months | Reports | GJP Steering Committee | Number of staff and youth benefiting from training programs, including internships and exchange programmes with partner countries. |

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**
Tunisian Energy Reform Plan (TUNEREP)

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Tunisian Energy Reform Plan (TUNEREP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Tunisia</td>
</tr>
<tr>
<td>Name of ISA Project Leader: Mr Fuad Albassam</td>
</tr>
<tr>
<td>Recipient Entity: Ministry of Industry, Energy and Mines</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): US$ 3.836 million</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$): USD 0.00</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 6/7/2013</td>
</tr>
<tr>
<td>Project Closing Date: 12/31/2016</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee): Primary Pillar: Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s): Enhancing Economic Governance Competitiveness and Integration Inclusive Development and Job Creation</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective:
To align the institutional and investment plans of the operational and central entities of the sector with the emerging policy framework of the government through: (i) limiting costly energy dependence by way of demand management and increase of domestic production of all sources of primary energy; and (ii) ensuring that the country realizes its renewable energy potential and contributes to the development of the regional market and benefit from its strategic geographic position.

Rating for progress towards achievement of objective: Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:
The Seventh Steering Committee approved the extension of the closing date until 31 December 2016. A short-term Consultant exclusively in charge of drafting/finalizing the terms of reference for the recruitment of the individual consultants in charge of providing the technical assistance required under the various project’s components has been hired and the ToRs are being finalized. Tender documents for the recruitment of the Consultant in charge of quality assurance and coordination finalized and tender to be launched in due course. First Cash Transfer Request submitted to the Trustee. First disbursement of an initial deposit of USD 500,000 into the project’s Special Account expected in the coming days.

C. Implementation Status of Components

Component 1: Development Plans and SWOT Analyses
Elaboration / confirmation of investment and financing plans for the years 2014-2018, and analysis of the strengths and weaknesses of the operating entities in the context of a changing business environment, and validation through technical assistance

Previous Rating: Satisfactory | Current Rating: Moderately Satisfactory | Cost (US$): 545,000

Sub-component 1.1: Support to ETAP through (i) the elaboration of a development plan and SWOT analysis: and (ii) recruitment of consultants for high-level technical assistance

Status of Implementation: ToRs for the recruitment of consultants under preparation
Sub-component 1.2: Support to STEG through: (i) the updating of an existing development plan and SWOT analysis; and (ii) recruitment of consultants for high-level technical assistance

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 1.3: Support to ANME through: (i) the elaboration of a development plan and SWOT analysis; and (ii) recruitment of consultants for high-level technical assistance

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 1.4: Support to STIR through: (i) the elaboration of a development plan and SWOT analysis; and (ii) recruitment of consultants for high-level technical assistance

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 1.5: Support to SNDP through: (i) the elaboration of a development plan and SWOT analysis; and (ii) recruitment of consultants for high-level technical assistance

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 1.6: Support to DGE through: (i) a study on the reorganization of the DGE in response to a new energy context; and (ii) recruitment of consultants for high-level technical assistance

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 2: Energy Monitoring and Strategic Surveillance System Strengthening - DGE**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>243,000</td>
</tr>
</tbody>
</table>

Sub-component 2.1: Enhancement of the Energy Information System (EIS)

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 3: Energy Efficiency Enhancement - ANME**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Sub-component 3.1: Setting-up of an Energy Efficiency Monitoring, Reporting and Evaluation System (MERS)

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 3.2: Study on the Integration of the Social and Regional Dimensions into the Energy Efficiency Strategy

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 4: Electricity Sector Support - STEG**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>450,000</td>
</tr>
</tbody>
</table>

Sub-component 4.1: Study on the Security of Mid- to Long-term Natural Gas Supply

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

Sub-component 4.2: Review of Household Consumption Patterns (including air conditioning), and Review of Load Curves

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 5: ETAP’s Organizational Strengthening - ETAP**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Sub-component 5.1: Pre-Feasibility Study on the Enhancement of ETAP’s Operational Procedures

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 6: Oil Products Supply Strategy - STIR**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>550,000</td>
</tr>
</tbody>
</table>

Sub-component 6.1: Strategic Study on the Production and Supply of Oil Products by 2030

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

**Component 7: Oil Products Distribution Strategy - SNDP**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately</td>
<td>550,000</td>
</tr>
</tbody>
</table>

Sub-component 7.1: Strategic Study on the Oil Products’ Distribution Sector

**Status of Implementation:** ToRs for the recruitment of consultants under preparation

---

181
**Sub-component 7.2:** Strategic Study on the Positioning of SNDP by 2030  
**Status of Implementation:** ToRs for the recruitment of consultants under preparation

**Component 8: Project Coordination and Quality Control**

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>450,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:** Project Implementation and Coordination Unit (PMCU) formally set-up. Operations manual drafted. Revised ToRs for the recruitment of the consultant (quality assurance and coordination) finalized and tender to be re-launched

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,488,000</td>
<td>0</td>
<td>0</td>
<td>3,488,000</td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b):                  | 0                           | 0                                      | 0           |
| Actual Amount Disbursed (c):                        | 0                           | 0                                      | 0           |

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,155,000</td>
<td>945,000</td>
<td>2,100,000</td>
</tr>
<tr>
<td>2017</td>
<td>888,000</td>
<td>0</td>
<td>888,000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>348,000</td>
<td>348,000</td>
</tr>
</tbody>
</table>
G. Results Framework and Monitoring

**Project Development Objective (PDO):**

To align the institutional and investment plans of the operational and central entities of the sector with the emerging policy framework of the government through: (i) limiting costly energy dependence by way of demand management and increase of domestic production of all sources of primary energy; and (ii) ensuring that the country realizes its renewable energy potential and contributes to the development of the regional market and benefit from its strategic geographic position.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator Two:</strong> Energy Monitoring</td>
<td>Report</td>
<td>None</td>
<td>Data sourcing &amp; analys is</td>
<td>EIS validated &amp; tested</td>
<td>EIS operational</td>
<td>Quarterly</td>
<td>Operating Entities /PMCU</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Energy Efficiency</td>
<td>Report</td>
<td>None</td>
<td>House hold energy survey (pilot) MERS outline</td>
<td>House hold energy survey (generalized) MERS</td>
<td>Action Plan finalized MERS operational</td>
<td>Quarterly</td>
<td>STEG ANME ANME</td>
</tr>
</tbody>
</table>

**Aug 2013 – Jul 2014**

**Aug 2014 – Jul 2015**

**Aug 2015 – Dec 2015**

**YR 4**

**YRS F**
**Intermediate Results**

**Intermediate Result (Component One):**

<table>
<thead>
<tr>
<th>Intermediate Result indicator One:</th>
<th>Study</th>
<th>None</th>
<th>Draft studies</th>
<th>Validated studies</th>
<th>Work programs &amp; implementation plans</th>
<th>Quarterly</th>
<th>ETAP STIR SNDP</th>
<th>ETAP STIR SNDP</th>
</tr>
</thead>
</table>

**Intermediate Result (Component Two):**

<table>
<thead>
<tr>
<th>Intermediate Result indicator One:</th>
<th>Study</th>
<th>None</th>
<th>Draft studies</th>
<th>Validated studies</th>
<th>Work programs &amp; implementation plans</th>
<th>Quarterly</th>
<th>ETAP STIR SNDP</th>
<th>ETAP STIR SNDP</th>
</tr>
</thead>
</table>

**Intermediate Result (Component Three):**

<table>
<thead>
<tr>
<th>Intermediate Result indicator One:</th>
<th>Study</th>
<th>None</th>
<th>Draft studies</th>
<th>Validated studies</th>
<th>Work programs &amp; implementation plans</th>
<th>Quarterly</th>
<th>ETAP STIR SNDP</th>
<th>ETAP STIR SNDP</th>
</tr>
</thead>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**

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6 In view of the nature of the work (essentially studies and plans) Intermediate results are outlined as stages under “cumulative target values”
H. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name:</th>
<th>Tunisia Social Protection Reforms Support Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name:</td>
<td>Tunisia</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies):</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Name of ISA Project Leader:</td>
<td>Heba Elgazzar</td>
</tr>
<tr>
<td>Email of ISA Project Leader:</td>
<td><a href="mailto:helgazzar@worldbank.org">helgazzar@worldbank.org</a></td>
</tr>
<tr>
<td>Recipient Entity:</td>
<td>Ministry of Economy and Finance</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact:</td>
<td>M. Kais Krziga <a href="mailto:Krziga@finances.tn">Krziga@finances.tn</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>5,055,000</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td></td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>1,124,886</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>5/15/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>11/1/2013</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>6/30/2017</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td></td>
</tr>
<tr>
<td>Primary Pillar:</td>
<td>Inclusive Development and Job Creation</td>
</tr>
<tr>
<td>Secondary Pillar(s):</td>
<td>Investing in Sustainable Growth Competitiveness and Integration</td>
</tr>
</tbody>
</table>

I. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The project development objective is to strengthen institutional capacity to design social protection reforms and improve targeting of safety net programs.

Rating for progress towards achievement of objective: Moderately Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:

The last mission of June 2 -4, 2015 assessed progress of the project to date, specifically in terms of: (i) the report on the conceptualization of the social information system with the technical assistance from Oxia Consultancy, (ii) the report of the consultant recruited in August 2014 for the assessment of potential targeting criteria of energy subsidies, and (iii) the report of the consultant recruited in August 2014 for the assessment of the sectorial impact of economic reform.

The disbursement rate reached 900,000.00 as of July 8, 2015, representing 19.15% of a total allocation of $ 4.7 million. The mission discussed the challenges of implementing the project, particularly regarding the role of the Steering Committee in managing the implementation of the project and the need to strengthen the capacity of the Ministry of Finance Project Management Unit in terms of consultant’s procurement, financial management, communication, and monitoring the implementation. Despite progress, the project is still downgraded to: Moderately Satisfactory”.

Progress to date for each component including deliverables that are underway are highlighted below:

J. Implementation Status of Components

Component 1: Subsidy and Safety Net Reform Support: support to design of fuel and food subsidy reform strategy and to improving targeting of social safety net programs.

Previous Rating: Not Applicable  |  Current Rating: Moderately Satisfactory  |  Cost (US$): 3.9M

Sub-component 1.1: Technical Assistance to Inter-ministerial Working Group (IWG).
**Status of Implementation**: The hiring of three individual consultants to assist the interdepartmental working groups with: (i) the development of a targeting model (2 consultants); (ii) the impact assessment of the various scenarios for reducing energy subsidies have been completed.

The reports of Phase 1 have been presented and accepted by the respective coordinators of each group.

The second, i.e. last phase of the two missions for assistance, will take place as soon as the results of the studies are adopted by the government. The World Bank wishes to receive reports of phase 1 as soon as possible.

**Sub-component 1.2: Unified Database and Targeting Support**

**Status of Implementation**:

**Application of the unique identifier**: The TMI company has been recruited to develop the application of a unique identifier at the CRES level. The developments are completed and the application is currently being tested.

**Social Management Information System (GIS)**: The OXIA company was hired in November 2014 to assist the Ministère des Affaires Sociales (MAS) for mastering the social information system, including programs run by the Ministry of Social Affairs. The diagnostic report was submitted to MAS and the project specifications for the selection of a firm for the development of the information system have been delivered to MAS. The World Bank (WB) recommends enabling this procedure and to send the terms of references (TORs) for non-objection, and call for expressions of interest quickly.

(a) Equipment (servers): A consultation with suppliers was launched for the acquisition of server cabinets for MAS. Delivery was completed in late April 2015.

(b) GIS and management of the National Assistance for Needy Families Program: A seminar was organized by the Direction générale de la promotion sociale (DGPS) in March 2015 for the benefit of regional offices of MAS to introduce the guidelines of the new system of information for needy families.

(c) Development of the protocol for management of targeting of social programs.

(d) Routine investigation information to the GIS needy families, "e-social survey" and support tablets: To help manage the targeting and monitoring of beneficiaries, the MAS has developed a protocol for a routine survey needy families using digital applications by social agents, such as structural drivers tablets.

**Training Program in 2015**: A training program for the benefit of computer engineers and technicians as well as for social specialists was established by regional offices of MAS and sent to the Project Management Unit (PMU). This plan includes a course of 8 sessions organized between May and June 2015 on the implementation of the information system for needy families.

**International Exchange and broad training**: MAS requested the World Bank support for this awareness and training to ensure proper site preparation before and during the launch of the new GIS and monitoring of beneficiaries. International exchanges and experiences through targeted study trips with a large Tunisian team were proposed. Two experts of the Tunisian administration benefited from a study tour organized by the WB in Marseille and Brussels in March 2015.

**Sub-component 1.3: Consensus-Building and Communication**

**Status of Implementation**: Preparatory work is underway to design the terms of reference to support the national dialogue on reforms, finance events and communication tools (print, radio, television), and other public outreach, participation and access to information tools. This activity will likely begin implementation will likely begin by March 2015.

**Component 2: Strengthening Social Security Reform Analysis and Planning**

<table>
<thead>
<tr>
<th>Previous Rating: Not Applicable</th>
<th>Current Rating: Moderately Satisfactory</th>
<th>Cost (US$): 0.4 million</th>
</tr>
</thead>
</table>

**Status of Implementation**: 

187
The preparatory work for phase 1 included:
- Projections of financing pension funds from 2014 to 2018
- Health financing analysis
- Analyses of the impact of social security reforms in the labor market
- Investments support in the context of Procurement Plan.

**Update**

Development of a summary note on the basic scenarios of simulations simple reforms by May 30, 2015 (WB and workgroup), and (ii) transmitting the procurement plan for activities designed to strengthen the social safety management system by May 30, 2015 (CNSS, MAS, and the PMU).

**Component 3: Project Management and Monitoring**

<table>
<thead>
<tr>
<th>Previous Rating: Satisfactory</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 0.4 million</th>
</tr>
</thead>
</table>

**Status of Implementation**

The Operational Manual has been updated to reflect the procedures to be adopted by the institutions and the various stakeholders in charge of the project.

**Interim financial report (IFR)**

The IFR related to the second half of 2014 has been reviewed, revised, submitted and accepted by the Bank.

The next report on the 1st half of 2015 is expected to be submitted no later than August 15, 2015 or within 45 days of the end of the semester in question.

**External audit of the project**

The project will be audited by the Contrôle Général des Finances (CGF) under the Ministry of Economy and Finance. Terms of Reference for the audit were developed with the project team in order to adapt to the specificities of the project, a copy was forwarded to the CGF. A single audit report covering the period from the effective date of November 5, 2013 to December 31, 2014 was approved by the Bank. Thus, the first audit report of financial year 2013/2014 was due on June 30, 2015.

**K. Disbursements of Transition Fund Funds for Direct Project Activities**

| Approved Amount for Direct Project Activities (a): | 4,700,000 | 4,700,000 |
| Amount Received from Trustee (b): | 4,700,000 | 4,700,000 |
| Actual Amount Disbursed (c): | 900,000.00 | 900,000.00 |

**L. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>250,000</td>
<td>250,000</td>
<td>500,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,000,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2015</td>
<td>500,000</td>
<td>1,000,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2016</td>
<td>600,000</td>
<td>600,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>4,700,000</td>
</tr>
</tbody>
</table>
### M. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>224,886</td>
<td>73,039</td>
<td>355,000</td>
</tr>
</tbody>
</table>
### N. Results Framework and Monitoring

**Project Development Objective (PDO):** To strengthen institutional capacity to design social protection reforms and improve targeting of safety net programs.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
<th>Target Progress as of 3/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct project beneficiaries</td>
<td>Number</td>
<td>0</td>
<td>50</td>
<td>Monthly</td>
<td>Project M&amp;E database</td>
<td>PIU</td>
<td>Total number of beneficiaries from all components of the project combined</td>
<td>Database still under testing phase</td>
</tr>
<tr>
<td>(a) Institutional capacity building</td>
<td></td>
<td></td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Registration in unified population database</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>7m</td>
<td>10m</td>
<td>500m</td>
<td>Monthly</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizens registered in new unified database</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>7m</td>
<td>10m</td>
<td>500m</td>
<td>Monthly</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td>(a) Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Of which are female</td>
<td>%</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>Monthly</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td>(c) Of which are vulnerable</td>
<td>%</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>Monthly</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries of safety net programs (from among citizens registered in national database)</td>
<td>Number</td>
<td>235,000</td>
<td>235,000</td>
<td>235,000</td>
<td>258,500</td>
<td>258,500</td>
<td>Bi-annually</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td>(a) Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Of which are poor</td>
<td>%</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>80</td>
<td>80</td>
<td>Bi-annually</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td>(c) Of which are female</td>
<td>%</td>
<td>51</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>Bi-annually</td>
<td>Project M&amp;E database</td>
</tr>
<tr>
<td><strong>Intermediate Result (Component One): Safety net and subsidy reform support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Participants involved in consultation activities during project implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number</strong></td>
<td>0</td>
<td>200</td>
<td>1000</td>
<td>5000</td>
<td>10,000</td>
<td>Quarterly</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Two:</strong> Government staff trained to evaluate subsidy and social expenditures; and Civil society representatives trained to evaluate subsidy and social expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number</strong></td>
<td>0</td>
<td>50</td>
<td>100</td>
<td>300</td>
<td>500</td>
<td>Annually</td>
<td>M&amp;E Database</td>
<td>PIU</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Three:</strong> Unified database Operations Manual developed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Qualitative</strong></td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
</tr>
<tr>
<td><strong>Intermediate Result indicator Four:</strong> Targeting Operational Manual developed for subsidy-compensation program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Qualitative</strong></td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Intermediate Result (Component Two): Strengthening social security analysis and planning</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> Joint social security-labor code assessment conducted with stakeholders as part of social dialogue process</td>
</tr>
<tr>
<td><strong>Qualitative</strong></td>
</tr>
</tbody>
</table>

### INTERMEDIATE RESULTS

<table>
<thead>
<tr>
<th><strong>Indicator Four:</strong> Subsidy and safety net reform plan prepared and disseminated</th>
<th>Qualitative</th>
<th>None</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>Once</th>
<th>Project Implementation Reports</th>
<th>PIU</th>
<th>Report disseminated</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator Five:</strong> Integrated social security reform plan prepared and disseminated</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
<td>Report disseminated</td>
<td>No</td>
</tr>
<tr>
<td>Intermediate Result indicator</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
<td>Reports published</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------</td>
<td>------</td>
<td>-----</td>
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<td>---------------------------------</td>
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<td>------------------</td>
</tr>
<tr>
<td>Two: Poverty and social impact analysis of social security reform options completed and disseminated</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
<td>Reports published</td>
</tr>
<tr>
<td>Three: Feasibility study to explore options to finance unemployment insurance completed and disseminated</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>Once</td>
<td>Project Implementation Reports</td>
<td>PIU</td>
<td>Reports published</td>
</tr>
<tr>
<td>Four: Annual reports on updates of pensions and health insurance actuarial analyses completed and disseminated</td>
<td>Qualitative</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Annually</td>
<td>Project Implementation Reports and Documents</td>
<td>PIU</td>
<td>Report published on simulations and assessment of policy options</td>
</tr>
</tbody>
</table>

Intermediate Result (Component Three):

| Intermediate Result indicator | | | | | | | | | |
|-------------------------------| | | | | | | | | |
| One: | | | | | | | | | |
| Two: | | | | | | | | | |

** Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’

*** Target Progress as of 3/31/2015
Virtual Market Places for the Development of Export SMEs: Tunisia Activities

A. Basic Project Information

| Activity Name: Development of SMEs Export through Virtual Market Places (Tunisia Activities) |
| Country Name: Tunisia (this is a regional project that includes Morocco and Jordan) |
| Name of Implementation Support Agency(ies): The World Bank |
| Name of ISA Project Leader: Laurent Gonne |
| Email of ISA Project Leader: lgonnet@worldbank.org |
| Recipient Entity: World Bank Executed |
| Total Amount Approved by the Transition Fund (US$): 1,000,000 |
| Additional Funds Leveraged and Source(s), if any (US$): 0 |
| Total Amount Disbursed (Direct and Indirect in US$): 307,506 |
| Steering Committee Approval Date: 11 February 2014 |
| Project Implementation Start Date: May 26, 2014 (date signature contract with International Trade Center, implementation partner). |
| Project Closing Date: December 30, 2016. |
| Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee) |
| Primary Pillar (select only one): Inclusive Development and Job Creation |
| Secondary Pillar(s) (select as many as applicable): Competitiveness and Integration |

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: This is a pilot project aimed at a) increasing SMEs exports the through Virtual Market Places and b) supporting institutional reforms to create an enabling environment for e-commerce.

Rating for progress towards achievement of objective: Satisfactory.

Rating for overall implementation progress: Satisfactory.

Brief Summary of Project Implementation Status:

Project implementation is progressing well as outlined in the report. This momentum is expected to be maintained in the second half of the year during which we expect to achieve all the deliverables planned in the 2015 work plan.

Summary highlights:
- training materials developed and customized
- 2 training workshops for export advisors delivered
- 40 Export Advisors (EAs) trained from which 23, that passed the training test, were hired
- 275 SMEs submitted their application among them 100 SMEs were selected and assigned to
- Coaching of SMEs and registration onto VMPs initiated
- Partnerships with some VMP established
- Programme Implementation Unit in place

No major risks jeopardize the outlook. There is satisfactory level of engagement from our main partners.

C. Implementation Status of Components

Component 1: Institutional Reform Component
It is important that governments adopt policies, laws, and incentives that focus on promoting trust and confidence among e-commerce participants and developing a national framework that is compatible with international norms on e-commerce. This component aims at supporting current discussions and to introduce policy and regulatory changes. This component will support the creation of an inter-ministerial committee with private sector participations, analytical and diagnostic studies with the objective of concretizing reforms in the enabling environment for e-commerce.

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item.</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status of Implementation</strong> of the Component 1. Satisfactory.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Following consultations with the Ministry of Trade and the Ministry of New technologies, the project will work with the existing E-commerce Task force as the action oriented committee (the inter-institutional committee) to undertake required changes and reforms of the e-commerce environment. The Task force was established in 2012 on the basis of a public-private partnership. It aims at providing a clear roadmap for the promotion of e-commerce in Tunisia.

The project team met with the members of the task force in March 2015. The meeting provided the opportunity to present the objectives and implementation approach of the VMP project and create a link with the work plan of the task force. The meeting was chaired by the Chef de cabinet of the Ministry of Trade of behalf of the Minister of Trade.

The ministry of trade and members of the Task force requested the project to carry out a study to analyze the issues and challenges facing the development of E-commerce in Tunisia and more specifically the development of exports through the utilization of the VMPs.

This study aims at tackling the enabling environment for e-commerce by addressing institutional constraints and proposing an action plan in relation to required policy reforms that will create a more conducive environment to help beneficiary SMEs better perform on VMPs. The meeting decided to set up a technical sub-committee to develop and agree Terms of reference for the study, select the consultant, and oversee the development of the study.

The study was launched in June 2015 and will be finalized and presented in October 2015 for validation. The recommendations emanating from it will help define an action plan for required regulatory reforms to support improved e-commerce competitiveness, some of these policy changes will be initiated by the VMP project.

---

**Component 2: Capacity Building Program**

<table>
<thead>
<tr>
<th>Previous Rating: Choose an item.</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$): 445,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-component 2.1: Capacity Building Program</strong> - The sub-component will cover the cost of the design and the delivery of a training program that would enable country partners to fully understand the methods, techniques and dynamics of VMPs to maximize the opportunities they offer to increase export and diversify markets.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Status of Implementation: Satisfactory. |

The existing ITC training material related to online marketing and e-commerce was upgraded and customized to fit the needs of Advisors and SMEs in Tunisia. The training material covers the following items: e-commerce value chain: challenges and solutions for logistics, e-payments, risk mitigation, client management, and after sale service. It also included description of Virtual Market Places and modalities/conditions to register to enable advisors to coach selected SMEs in these technical aspects. In addition, advisors were exposed to best practices related to how to create an attractive and sales oriented e-shop.
Following the first training organized in November 2014, and the test and exams that followed the project team selected and hired 23 candidates to be representing the group of Export Advisors that will work with and coach selected SMEs.

The second training was organized on March 2015, in the premises of the World Bank, Tunis. The training aimed at providing the EAs with a well-defined framework to provide coaching and advisory services to the selected SMEs. The training covered the product/market research, content preparation, commercial offers as well as fiscal, legal and logistic environment in the target markets.

During the training, a tax expert from Ernest and Young contributed pro-bono with a presentation on fiscal aspects of the utilization of VMPs and answered questions from EAs. A director from the Tunisian Post (La Poste Tunisienne) made also a presentation on the services offered by its company for logistics and shipments.

Training material that will be used by the EA for coaching of the SMEs was developed and disseminated among the EAs.

The 23 EAs were equipped with the SwissSign to deploy eSignature. The qualified digital signature is a mathematical scheme for demonstrating the authenticity of a digital message or document. It confirms the sender (authentication and non-repudiation) and that the message was not altered in transit (integrity).

3 to 4 SMEs have been assigned in May 2015 to each EA. The work has started and the EAs are guiding the selected companies on how to promote their products and services, how to manage customer relationships online and how to manage export transactions generated through the internet, including after sale service.

**Sub-component 2.2: Registration and Coaching of SMEs** - Along with the outreach phase of the project, beneficiary SMEs will be registered in one to three different VMPs, coached on how to make the best use of their presence on these VMPs and coached on how to concretely deal with the inquiries coming from the first potential buyers through the VMPs.

**Status of Implementation:** Satisfactory.

275 SMEs applied to benefit from the project. 100 SMEs were selected. The selection process and criteria were defined to carefully ensure that the most promising SMEs are identified and are strongly motivated to join. The process ensured that the selected group is balanced in terms of company size, gender, products/services, and distribution across different regions in the country. The list of SMEs is annexed to this report.

The Ministry of Trade organized on 17 April 2015 a ceremony to present the first 100 SMEs and the advisors. The Ceremony was chaired by the Minister of Trade.

The 100 SMEs were distributed among the 23 EAs. The EAs’ coaching and advisory work was launched in May 2015 and consists of: analyzing SMEs product and service offer, matching each SME with one to three VMPs and registering it, elaboration and posting of companies’ information (photos, products/firm description, delivery, etc.) on the VMP in several languages.

As part of this process, some of the SMEs will get access to premium accounts on specific marketplaces. In return, beneficiary SMEs are expected to actively take part and perform according to specific success indicators as defined in a Letter of intention to be signed between ITC and the SMEs.

During the last quarter of the year, and based on the results of second promotion campaign, a second group of SMEs will be selected and distributed among the EAs.

**Component 3: Partnerships, Business Intelligence and Certification**
<table>
<thead>
<tr>
<th>Component 3.1: Partnerships with Virtual Market Places</th>
<th>Cost (US$): 340,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status of Implementation:</strong></td>
<td></td>
</tr>
<tr>
<td>The project team initiated contact with several VMPs and discussed modalities of partnership to ensure customized support to selected SMEs.</td>
<td></td>
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<tr>
<td>The discussions helped define the framework for collaboration. Implementation of partnership arrangement is being discussed with AliBaba, eBay, LittleMajlis (LittleMajlis.com), Souq.com, MarkaVIP.com.</td>
<td></td>
</tr>
<tr>
<td>A contract with Tradekey is in place to help an initial group of 15 companies. Tradekey was selected because it connects traders with global whole sellers, buyers, importers &amp; exporters, manufacturers and distributors in over 240 countries with a special focus on Asia and the Middle East, markets that are of interest to selected companies.</td>
<td></td>
</tr>
<tr>
<td>Discussions are progressing with Alibaba, Etsy, Freelancer.</td>
<td></td>
</tr>
<tr>
<td>Partnership and cooperation were belt with the Tunisian post and the Universal Postal Union (UPU), Ernest and Young which offered its services to the project free of charge through contributions to training and consultancy services on tax aspects of operations on VMPS.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 4: Project Management</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status of Implementation:</strong></td>
<td>Satisfactory. This component will be implemented at a later stage of the project.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component 4.1: Project Management – This component will finance the PIUs at country level.</th>
<th>Cost (US$): 90,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status of Implementation:</strong> Satisfactory. Project Oversight Committee (POC)</td>
<td></td>
</tr>
<tr>
<td>The initial POC meeting took place on 12 March 2015 with members of the e-commerce taskforce. The meeting was chaired by the Chef de Cabinet of the Minister of Trade. During the meeting ITC made a presentation on the implementation progress and the work plan. The meeting ensured that the project is aligned to national priorities and supports the Government effort to increase exports.</td>
<td></td>
</tr>
<tr>
<td>The meeting was an opportunity to set up a dialogue across institutions and organizations and support the process of carrying over a study that will help the Task force on E-commerce and the Ministry to drive the reform process to mitigate the e-commerce regulatory and institutional bottleneck.</td>
<td></td>
</tr>
<tr>
<td>The project implementation unit (PIU)</td>
<td></td>
</tr>
</tbody>
</table>
The PIU is in place and operational. The PIU is in charge of the country level day-to-day management of the project. The PIU organizes a monthly meeting with the EA to discuss the status of implementation and find solutions to any issues that may rise.

**Sub-component 4.2: Impact Evaluation Assessment**

**Status of Implementation:** The component will be implemented at the end of the project.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Received from Trustee (b):</td>
<td></td>
<td>975,000</td>
<td></td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td></td>
<td>975,000</td>
<td>975,000</td>
</tr>
</tbody>
</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td>94,169</td>
<td>94,169</td>
</tr>
<tr>
<td>2015</td>
<td>188,337</td>
<td>311,663</td>
<td>500,000</td>
</tr>
<tr>
<td>2016</td>
<td>200,000</td>
<td>180,831</td>
<td>380,831</td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>25,000</td>
<td>0</td>
<td>25,000</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
</table>

#### PDO Level Results Indicators:

The proposed project development objective (PDO) is to (i) increase SMEs access and exports via Virtual Market Places, and (ii) support institutional reforms to create an enabling environment for e-commerce in targeted countries.

**Indicator 1:** Registered SMEs with at least one export transaction completed via VMPs

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>0</th>
<th>200</th>
<th>300</th>
<th>Quarterly</th>
<th>Statistics VMP platforms/ Feedback from surveys/M&amp;E Database</th>
<th>PIU</th>
<th>Number of transactions conducted by SMEs registered Value of Exports increase since VMP access</th>
</tr>
</thead>
</table>

**Indicator 2:** Roadmap for the reform of the enabling business environment for e-commerce in each participating country and integrated in national commerce strategies

<table>
<thead>
<tr>
<th>Yes/No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>Bi-annual</th>
<th>Reporting by the Oversight Committee; Ministries of Trade</th>
<th>PIU - ITC</th>
<th>Roadmap document endorsed by the OC</th>
</tr>
</thead>
</table>

**Indicator 3:** SMEs registered in VMPs

| Number | 0 | 0 | 600 | Quarterly | Captured by EAs and monitored through M&E Database | PIU-ITC | Registration involves opening of a VMP account and uploading of product and contact information. |

#### INTERMEDIATE OUTCOMES

**COMPONENT I. INSTITUTIONAL REFORM**

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
</table>

Workshops conducted

| Number | 0 | 2 | 2 | 3 | Bi-annual | Reporting PIU-ITC | PIU-ITC | Output Delivered – Workshop report |

Analytical Work delivered on key e-commerce topics

| Number | 0 | 0 | 3 | 4 | Bi-annual | Reporting PIU – ITC | PIU-ITC | Output delivered – Workshop Report |
## Component II. Export Markets accessed through VMPs

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export Advisors Trained</strong></td>
<td>Number</td>
<td>0</td>
<td>40</td>
<td>100</td>
<td>0</td>
<td>Bi-annual</td>
<td>Reporting PIU-ITC</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PIU/ITC</td>
<td>Captures number of EAs trained on VMPs</td>
</tr>
<tr>
<td><strong>Export Advisors Certified</strong></td>
<td>Percent</td>
<td>0</td>
<td>58%</td>
<td>90%</td>
<td>0</td>
<td>Quarterly</td>
<td>Training provider assesses performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PIU-ITC</td>
<td>Percent of EAs who receive certification, out of total number of trained EAs; Not all EAs may end up qualifying; target for 2016 expects 90% to obtain it.</td>
</tr>
</tbody>
</table>

## Component III. VMP Partnerships, Certification and Business Intelligence

<table>
<thead>
<tr>
<th>Indicators by Component</th>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Training program for TSIs delivered (# activities)</strong></td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>Quarterly</td>
<td>M&amp;E Database</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PIU-ITC</td>
<td># Training sessions Report disseminated and workshops evaluations # Number of advisory services provided # SMEs satisfaction with TSIs service delivery</td>
</tr>
<tr>
<td>Collaborative partnerships with VMPs</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>Quarterly</td>
<td>Project implementation reports</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>--------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>-----------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Newsletters published by TSIs to roll out the Competitive Intelligence Mechanism</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>50</td>
<td>Quarterly</td>
<td>PIU and RIA</td>
</tr>
</tbody>
</table>

**Indicators by Component**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (Indicator Definition, etc)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|      |          |                          |           |                         |                                  |                                       |

| Premium Accounts awarded – Certifications | Number | 0 | 0 | 40 | 50 | Quarterly | Project Implementation Reports M&E Database and VMPs | ITC/PIU | Trust label certificates |

| Assessment body created and operational | Yes/No | No | No | No | Yes | Quarterly | Project Implementation Reports | WB/ITC/PIU | Creation of Conformity Assessment body |
Yemen Projects
Reinforcing Rule of Law: Developing Judiciary Capacities

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Reinforcing the rule of law: Developing the capacities of the judiciary in Yemen</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Yemen</td>
</tr>
<tr>
<td><strong>Name of Implementation Support Agency(ies):</strong> Arab Fund for Economic and Social Development Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong> OECD: Andreas Schaal/ Miriam Allam AFESD: Ahmed Osman/Elfatih Elshazli</td>
</tr>
<tr>
<td><strong>Email of ISA Project Leader:</strong> / <a href="mailto:andreas.schaal@oecd.org">andreas.schaal@oecd.org</a> / <a href="mailto:Miriam.Allam@oecd.org">Miriam.Allam@oecd.org</a> / <a href="mailto:aosman@arabfund.org">aosman@arabfund.org</a> / <a href="mailto:eelshazli@arabfund.org">eelshazli@arabfund.org</a></td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Ministry of Justice – Yemen, Mr. Ghalib Alguidi, Head of Planning Department, <a href="mailto:halibalguidi@gmail.com">halibalguidi@gmail.com</a></td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong> USD 3,000,000</td>
</tr>
<tr>
<td><strong>Additional Funds Leveraged and Source(s), if any (US$):</strong></td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong> OECD: 644,801 AFESD: 16,387.94</td>
</tr>
<tr>
<td><strong>Steering Committee Approval Date:</strong> 12/14/2013</td>
</tr>
<tr>
<td><strong>Project Implementation Start Date:</strong> 2/1/2014</td>
</tr>
<tr>
<td><strong>Project Closing Date:</strong> 1/31/2017</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong> Primary Pillar: Enhancing Economic Governance Secondary Pillar(s): Inclusive Development and Job Creation Competitiveness and Integration Investing in Sustainable Growth</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

<table>
<thead>
<tr>
<th>Project Development Objective: The objective of this Project is to build judicial capacity to improve integrity, the efficiency and effectiveness of the court system and access to justice. The Project will provide the necessary technical assistance for the Government of Yemen (GoY) in the implementation of the 2013 Action Plan within the framework of the strategy prepared by the Ministry of Justice in coordination with the Ministry of Planning and International Cooperation.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rating for progress towards achievement of objective:</strong> Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Rating for overall implementation progress:</strong> Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Brief Summary of Project Implementation Status:</strong> The overall implementation progress of project activities has been very well on track up until February 2015. Since the upheaval erupted in February due political instability, the implementation of various components has been slower and challenging (detailed below). Activities are on stand-by for the moment. Nevertheless, the OECD and the AFESD maintain relations at technical level with stakeholders and project partners. Furthermore, active participation of Yemeni officials in various consultation exercises undertaken for the project show dedicated engagement as well as consistent ownership of the project by the GoY, despite the deteriorating situation on the ground. Moreover, the current situation in Yemen has its effects on organising activities (workshops, consultations) outside of Yemen. Since the last progress round, OECD &amp; AFESD, in consultation with the GoY, took immediate crisis management actions. This includes a series of consultation meetings in Paris, Kuwait and the UAE for officials from GoY, as an alternative way of implementation. As a result of these meetings, officials stressed on the importance of continuing the support for Yemen. Corresponding to the request of the GoY, OECD studied other alternatives to deliver project activities such as e-learning or capacity building organised outside the country. However, after the Sanaa international airport was closed, this option had to be revisited.</td>
</tr>
</tbody>
</table>
Until February, the GoY demonstrated a strong and continuous commitment to the project. This has been instrumental in ensuring progress in the implementation. For example, senior officials from the Ministry of Justice and Ministry of International Cooperation participated in the “Steering Group Meeting of the MENA-OECD Programme” on 5 February (component 1). The meeting is a major regional event that brings together MENA and OECD countries, the meeting provided an opportunity to the Yemeni delegation to present the progress of project implementation, given the current circumstance, to a broad and relevant audience, highlight the main challenges faced at this stage and underline the need for support from the international community to Yemen.

This was followed by a study visit to UAE, within the framework of the (Working Group II on Open and Innovative Government) meeting "A decade of regional dialogue for responsive and inclusive public sectors” in Dubai, on e-courts and the use of electronic case management on 9-13 February (component 4). The study visit enabled the Ministry of Justice to experience firsthand the effects of ICT tools on improving the delivery of justice in a relatively comparative environment.

Furthermore, officials also participated in the meeting of the MENA - OECD Governance Programme - Working Group I on Civil Service and Integrity, 25&26 March (subcomponent 2.3). The meeting discussed the role of independent institutions in establishing citizen’s trust by ensuring that public money has been used cost-effectively and preventing its misuse. It was held back to back with the OECD Integrity Forum “Curbng Corruption - Investing in Growth.” on 25-26 March. The forum provides senior official from member and non-member countries a platform to compare and exchange policy experiences, identify good practices, discuss emerging challenges and adopt recommendations for better policies.

Moreover, back-to-back with the Board of Directors meeting on 06th of April; the AFESD organized a coordination meeting with the Deputy Minister of International Cooperation to discuss the next steps of project implementation. Discussions during the meeting resulted on agreement that there is a narrow possibility to advance on developing the procurement notice for the forensic unit equipment, given the escalating situation in Yemen. (subcomponent 3.2)

Even in the current context, the OECD held a meeting in May with the Deputy Minister of International Cooperation in Paris. The meeting was organized back-to-back with the Senior Official meeting of the governance track of the G7 Deauville Partnership. The objectives of the meeting were mainly to 1) follow up on the situation in Yemen 2) take stock of activities which have been started and remaining commitments 3) to find a common ground for agreement on what shall be the next steps. Stakeholders agreed that further actions shall be undertaken in order to better understand the opportunities and challenges associated with the implementation process. Moreover, It is agreed, should the peace negotiations not succeed and the situation remains unimproved, that delay will likely occur, in particular where capacity-building activities become more and more dependent on on-the ground presence.

Going forward, the OECD will monitor closely the situation in Yemen, in close coordination with AFESD, upon developments whether it would consider an extension, restructuring or indeed suspension of the project.

### C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Assessment - peer review of capacities of judiciary</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The objective of this component is an assessment and identification of the key challenges in the current situation regarding the judiciary and the functioning of the courts in Yemen.</td>
<td>Satisfactory</td>
<td>195,860</td>
</tr>
<tr>
<td>Previous Rating: Satisfactory</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This report can thus be utilized as the basis for further co-operation through, for example, the adoption of new policy guidelines, recommendations or even the negotiation of legal undertakings. The review can thus also serve as an important capacity-building instrument, since it is a mutual learning process in which best practices are exchanged.

The view was expressed by both the experts and the participants that the report was a fair assessment of the situation in Yemen despite the limitations imposed on the author by political and security situation in Yemen. This component is completed.

**Component 2: Enhancing judicial capacity and integrity**

This component will support capacity building for judges, prosecutors and personnel on means by which the judiciary and court system can be improved to reduce delays, increase integrity and facilitate the operation of the rule of law. The component will consists of the following 3 Sub-components:

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>1,005,450</td>
</tr>
</tbody>
</table>

**Sub-component 2.1: Development and implementation**

**Status of Implementation:** The 3rd OECD Integrity Forum and MENA-OECD Governance Programme - Working Group I on Civil Service and Integrity, on 25 & 26 March, offered an official from Yemen to learn about the OECD focus on eliminating corruption and the key economic role that integrity plays. Relevance was drawn around future directions, including the need for more implementation of integrity policies and emphasizing the sub-national level as high-risk areas in terms of spending and capacity.

During these meetings, Yemen shared its experiences with OECD and MENA countries on the two workshops that were organised with the MENA Transition Fund Project on developing Codes of Conduct for judges and prosecutors and forensic science (8-9 June in Kuwait and 13-18 October 2014 in France and Netherlands). As a result of these workshops advice has been given on how the existing Code of Conduct for Judges can be improved further and how it can be extended to apply to prosecutors. Advice was also given on how the process for amending the Code can be undertaken in a manner that will help improve confidence in the judiciary and how the Code can be disseminated widely. For example, the new draft Code of Conduct could:

- a) State general principles that apply to both judges and prosecutors;
- b) Be shorter, easily understandable, not repeat the law / religious foundations;
- c) Take out details regarding personal behaviour etc., add standards from relevant international documents where needed;
- d) Refer to human and citizen rights, women rights, gender equality, and the special treatment of children;
- e) Contain two annexes on the principles only applying to judges and the principles only applying to prosecutors.

Based on the workshops and OECD assessment of the existing Code of Conduct for Judge, it is recommended that the amendments of the CoC for judges and prosecutors include the following crucial aspects:

- A political decision needs to be developed taken by the Ministry of Justice regarding the next steps with regard to developing a new draft CoC (based on the old version) for judges and prosecutors and starting a consultative process of revision / discussion of the CoC.
- On the basis of what has been done regarding a CoC for judges and prosecutors, discuss with Ministry of Justice ideas on developing a draft CoC for forensic scientists, cooperating with the necessary institutions and stakeholders.
- Joint work with Ministry of Justice, judges and other key stakeholders on means to better implement and enforce the CoCs. Analyse the capacities of existing institutions to design monitoring and supervision mechanisms that could ensure better implementation and enforcement.
- As part of component 2.2. design together with relevant ministries and stakeholders possible capacity building measures that aim at:
- Training judges and prosecutors on CoC and best practices with regard to strengthening judicial integrity (identify means on how to address threats and corruption).

**Sub-component 2.2: Providing continuing education by a “train-the-trainers” programme for judges.**

**Status of Implementation:** Based on the review (component 1), the OECD issued recommendations, included in the report, on the train-the-trainers programme to the Ministry of Justice. The jointly identified priorities of the programme will be
rolled out through 2015 and 2016. Due to the current political situation, the start of the programme has been postponed until 2016.

**Sub-component 2.3: Increasing integrity - drafting a Code of Conduct for judges and prosecutors**

*Status of Implementation:* Given the current circumstances the start of the ToT programme has been postponed until the situation stabilize in Yemen. Nevertheless, in the past a good progress was achieved on promoting the transparency and integrity of the Judiciary. The OECD Secretariat with the support of a number of international peers from Ireland, France (Ministry of Justice) and the Netherlands conducted a workshop and advisory session on “General Approaches to Codes of Conduct Internationally and Codes of Conduct for Prosecutors”. The workshop addressed matters such as the need for judges to uphold and promote the independence, integrity, and impartiality of the judiciary, and provided advice on how to avoid conflicts of interest and the appearance of impropriety. Following the workshop a report was sent to the Minister of Justice in Yemen summarising the discussions and providing advice on how the Code of Conduct for Judges can be improved and the steps to be taken to draft a separate Code of Conduct for Prosecutors. The OECD has sent comments on the Code of Conduct for Judges and provided draft headings of a Code of Conduct for Prosecutors based on international norms. A new draft on the CoC for judges and prosecutors needs to be developed, based on a consultative process that brings together experts, civil society and government representatives as well as members of the judiciary. The political instability hindered the completion of this subcomponent.

**Component 3: Improving the judicial infrastructure and institutional capacities in the Ministry of Justice**

This component will support the Ministry of Justice in building the institutional infrastructure for research for the judiciary and the development of a forensic medicine commission. The component consists of the following 2 sub-components

**Previous Rating:** Choose an item. | **Current Rating:** Moderately Satisfactory | **Cost (US$):** 882,380
---

**Sub-component 3.1: Building capacities for the Centre for Legal and Judicial Research**

*Status of Implementation:* Back-to-back to the workshops and the study visit held in Paris and the Hague (13th to 17th October), the OECD organised separate interview sessions with Yemeni judges, prosecutors and representatives from the Ministry of Justice to assess further the needs of the judiciary for Centre for Legal and Judicial Research and what its priorities should be. Due to the political instability the study visit in March to the OECD MENA training centre in Caserta, Italy was postponed. The OECD assessment report (component 1) sent to the Ministry of Justice touched on this issue, notably in relation to the need to improve accessibility of legislation and court decisions.

**Sub-component 3.2: Building capacities for the Forensic Medicine Commission**

*Status of Implementation:* Based on the study visit in October to the Netherlands Forensic Science Institute, the OECD prepared a report on the state of forensic science and prospects for the creation of a Commission in Yemen. As a result of the study visit to the Netherlands Forensic Science Institute, the Ministry of Justice, Yemen is currently engaging in bi-lateral discussions on a possible cooperation between the Netherlands and Yemen in the field of forensic science. This was followed by a series of consultation meetings with officials from Ministry of Justice and Ministry of International Cooperation (February & April) and agreed to postpone publishing the procurement notice for the forensic equipment under the current situation. The country-executed component under 3.2 includes 400,000 USD to be allocated to priority equipment for the forensic science unit in the Ministry of Justice. The equipment was identified in October by the Ministry of Justice: refrigerators, autopsy rooms, and electrical supplies.

**Component 4: Improving court management and access to justice**

This component will support a more efficient and effective administration of the courts and management of cases to reduce prolonged litigation process, procedures in courts and facilitate access to justice through more efficient legal aid centres. The component consists of the following sub-components.

**Previous Rating:** Moderately Satisfactory | **Current Rating:** Satisfactory | **Cost (US$):** 690,310
---

**Sub-component 4.1: Financial Management Systems of the court**

*Status of Implementation:* The implementation of this subcomponent started in early 2015 after setting the ground for smooth implementation. Indeed, the questionnaire submitted to the authorities in Yemen seeks to collect further
information on the Financial Management Systems of the Court so that the report by the OECD (component 1) contributes to address ways and means for the development of an appropriate policy if necessary during the continuation of the project in 2015 and 2016. The Ministry of Justice attended the 10th annual meeting of the Working Group on Open and Innovative Government "A decade of regional dialogue for responsive and inclusive public sectors", jointly organised by the United Arab Emirates and the MENA-OECD Governance Programme on 8 February 2015 in Dubai. That was followed by a study visit to courts in Dubai, the study visit was organized and date of activity was 11-2-2015. The objective of the study visit is to familiarize the delegate with the good examples of automated case and financial management systems in relatively comparative environment on the following issues:

1- Court Management System.
2- Strategies and plans of Information Technology.
3- Structure of Dubai courts with the tasks and responsibilities.
4- Smart Services and applications.
5- Infrastructure of Dubai Court.
6- Nipras Machine and other tools used in the Courts.

Going forward, implementation of automated case management systems is currently hampered by 1) the political conflict 2) lack of financial support to buy the needed infrastructure.

Sub-component 4.2: Access to Justice
Status of Implementation: same as for sub-component 4.1

D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFESD: 900,000</td>
<td>OECD: 1,874,000</td>
<td></td>
<td>2,774,000</td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b):               | AFESD: 900,000         | OECD: 457,440                       | 1,357,440   |

| Actual Amount Disbursed (c):                    | AFESD: 0               | OECD: 538,801                       | 1,416,560   |

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AFESD: 400,000USD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>OECD: 466,580 USD</td>
<td>OECD: 480,502 USD</td>
<td>OECD: 682,130 USD</td>
</tr>
<tr>
<td></td>
<td>AFESD: 220,000USD</td>
<td>AFESD: 280,000USD</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>OECD: 27,842 USD</td>
<td></td>
<td>OECD: 27,882 USD</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD: 126,000 USD</td>
<td>AFESD: 16,387.94 USD</td>
<td>OECD: 126,000 USD AFESD: 100,000 USD</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring Results Framework and Monitoring

#### Project Development Objective (PDO):

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong></td>
<td># of trained personnel</td>
<td>0</td>
<td>23, 240, 360</td>
<td>9 months</td>
<td>Project Reports</td>
<td>MoJ/OECD</td>
<td>Number of staff trained in the Project</td>
</tr>
<tr>
<td>Number of judges, state prosecutors, public officials and court officers trained;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td># of thematic areas</td>
<td>0</td>
<td>3, 6, 9</td>
<td>Yearly</td>
<td>Project Reports</td>
<td>MoJ/OECD</td>
<td>Number of thematic areas on the rule of law covered by the capacity building activities</td>
</tr>
<tr>
<td>Number of thematic areas covered by the capacity building activities;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td># of national initiatives</td>
<td>0</td>
<td>1, 2, 3</td>
<td>Yearly</td>
<td>Project Reports</td>
<td>MoJ/OECD</td>
<td>Number of national initiatives</td>
</tr>
<tr>
<td>Number of national initiatives based on the activities of the Project;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Three:</strong></td>
<td># of study visits</td>
<td>0</td>
<td>2, 1, 1</td>
<td>Yearly</td>
<td>Project Reports</td>
<td>MoJ/OECD</td>
<td>Number of study visits organised under the Project</td>
</tr>
<tr>
<td>Number of Study Visits;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Four:</strong></td>
<td>Reports</td>
<td></td>
<td>&gt; %70 Positive, &gt; %80 Positive, &gt; %90 Positive</td>
<td>9 months</td>
<td>Project Reports</td>
<td>MoJ/OECD</td>
<td>Evaluation of the activities using qualitative evaluation criteria</td>
</tr>
<tr>
<td>Feedback from participants as collected through the activities’ evaluation forms.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Indicator Five:
Operational guidelines, training materials and manuals in place developed with the support of the project

<table>
<thead>
<tr>
<th># of guidelines, training materials and manuals</th>
<th>0</th>
<th>2</th>
<th>6</th>
<th>9</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Number of Operational guidelines, training materials and toolkits</th>
</tr>
</thead>
</table>

### Indicator Six
Number of users of the legal aid website

<table>
<thead>
<tr>
<th># of hit rates to the portal</th>
<th>0</th>
<th>0</th>
<th>1800</th>
<th>3600</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Website is operational and hit numbers are counted</th>
</tr>
</thead>
</table>

### INTERMEDIATE RESULTS

#### Intermediate Result (Component One):

**Intermediate Result indicator 1.1: Data collection**

<table>
<thead>
<tr>
<th># of entities covered in the assessment</th>
<th>0</th>
<th>9</th>
<th>7</th>
<th>7</th>
<th>9 months</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Number of questionnaires, interviews and discussions by peers with relevant stakeholders</th>
</tr>
</thead>
</table>

**Intermediate Result indicator 1.2: Descriptive report of the current situation of the Judiciary in Yemen**

<table>
<thead>
<tr>
<th>Reports</th>
<th>0</th>
<th>1</th>
<th>1</th>
<th>1</th>
<th>9 months</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Peer review and discussions with external peers</th>
</tr>
</thead>
</table>

#### Intermediate Result (Component Two):

**Intermediate Result indicator 2.1: Trained Judges, state prosecutors and court officers**

<table>
<thead>
<tr>
<th>Number of trainees</th>
<th>0</th>
<th>23</th>
<th>200</th>
<th>300</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Number of staff trained</th>
</tr>
</thead>
</table>

**Intermediate Result indicator 2.2: Training materials**

<table>
<thead>
<tr>
<th>Number of topics covered in the workshops</th>
<th>0</th>
<th>3</th>
<th>4</th>
<th>6</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Training materials are available</th>
</tr>
</thead>
</table>

**Intermediate Result indicator 2.3: Train the Trainers workshops/workshops**

<table>
<thead>
<tr>
<th># of trained judges on knowledge/skill transfer</th>
<th>0</th>
<th>0</th>
<th>40</th>
<th>60</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoJ/OECD</th>
<th>Number of judges</th>
</tr>
</thead>
</table>
**Intermediate Result indicator 2.4:**
Build capacity for Judges and state prosecutors

| Number of trained officials to utilize codes of conduct | 0 | 23 | 30 | 60 | Yearly | Project Reports | MoJ/OECD | Number of trained judges and state prosecutors |

**Intermediate Result (Component Three):**

**Intermediate Result indicator 3.1:**
Build capacity to develop the legal aid and research centre

| # of trainees | 0 | 0 | 35 | 40 | Yearly | Project Reports | MoJ/OECD | Number of staff trained in the Project |

**Intermediate Result indicator 3.2:**
Establishment and Equipment of Forensic commission

| # Checklist of Guidelines | 0 | 0 | 1 | 1 | Yearly | Project Reports | MoJ/OECD | Checklist of guidelines on the general principles and terms of references of the Commission |

**Intermediate Result (Component Four):**

**Intermediate Result indicator 4.1:**
phases of financial management/case management systems development (total 3 phases)

| Number of manuals | Phase one (assessment phase) | Phase two (advice phase) | Phase two (implementation phase) | Yearly | Project Reports | MoJ/OECD | Number of manuals for implementation of recommendations on systems |

**Intermediate Result indicator 4.2:**
Develop manual for access to justice

| Number of manuals | 0 | 0 | 1 | 1 | Yearly | Project Reports | MoJ/OECD | Number of manuals for developing legal aid/assistance |
A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Education For Employment (e4e) Project for Yemen</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Name:</strong> Government of Yemen</td>
</tr>
<tr>
<td><strong>Name of ISA Project Leader:</strong></td>
</tr>
<tr>
<td>Abdi Abdullahi</td>
</tr>
<tr>
<td>Amira Aboukheir</td>
</tr>
<tr>
<td>Amy Refaat Abdel-Razek</td>
</tr>
<tr>
<td><strong>Name of Implementation Support Agency(ies):</strong></td>
</tr>
<tr>
<td>Islamic Development Bank and IFC</td>
</tr>
<tr>
<td><strong>Email of ISA Project Leader:</strong></td>
</tr>
<tr>
<td><a href="mailto:aabdullahi@isdb.org">aabdullahi@isdb.org</a></td>
</tr>
<tr>
<td><a href="mailto:aaboulkheir@ifc.org">aaboulkheir@ifc.org</a></td>
</tr>
<tr>
<td><a href="mailto:areefat@ifc.org">areefat@ifc.org</a></td>
</tr>
<tr>
<td><strong>Recipient Entity:</strong> Ministry of Technical Education and Vocational Training</td>
</tr>
<tr>
<td><strong>Name and Email of Recipient Entity Contact:</strong></td>
</tr>
<tr>
<td>Rashed A. Al Thwary, Secretary General, Ministry of Technical Education and Vocational Training; Higher Education Council of Community Colleges</td>
</tr>
<tr>
<td>P. O. Box: 15601, San’a</td>
</tr>
<tr>
<td>Tel: +967771521634,</td>
</tr>
<tr>
<td>Email: <a href="mailto:rashed.athwary@gmail.com">rashed.athwary@gmail.com</a></td>
</tr>
<tr>
<td><strong>Total Amount Approved by the Transition Fund (US$):</strong></td>
</tr>
<tr>
<td>4,582,000</td>
</tr>
<tr>
<td><strong>Additional Funds Leveraged and Source(s), if any (US$):</strong></td>
</tr>
<tr>
<td>0</td>
</tr>
<tr>
<td><strong>Total Amount Disbursed (Direct and Indirect in US$):</strong></td>
</tr>
<tr>
<td>179,578</td>
</tr>
<tr>
<td><strong>Steering Committee Approval Date:</strong></td>
</tr>
<tr>
<td>6/11/2014</td>
</tr>
<tr>
<td><strong>Project Implementation Start Date:</strong></td>
</tr>
<tr>
<td>9/1/2014</td>
</tr>
<tr>
<td><strong>Project Closing Date:</strong></td>
</tr>
<tr>
<td>7/31/2016</td>
</tr>
<tr>
<td><strong>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</strong></td>
</tr>
<tr>
<td>Primary Pillar: Inclusive Development and Job Creation.</td>
</tr>
<tr>
<td>Investing in Sustainable Growth.</td>
</tr>
<tr>
<td><strong>Rating for progress towards achievement of objective:</strong></td>
</tr>
<tr>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Rating for overall implementation progress:</strong></td>
</tr>
<tr>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td><strong>Brief Summary of Project Implementation Status:</strong></td>
</tr>
<tr>
<td>The project is currently on hold, as agreed with the IsDB.</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

**Project Development Objective:** The main objective of the project is to support the GOY efforts to strengthen youth employability by bridging the skills gap. More specifically, the project will contribute to: (i) transforming and restructuring of the TVET sub sector; (ii) introducing a transformative practical work readiness training and re-skilling model for university and TVET graduates; and (iii) strengthening the capacity of the MOTEVT in planning, management, strategy formulation and implementation, thus enabling it to oversee and carry out the required reforms.

**Rating for progress towards achievement of objective:** Moderately Satisfactory

**Rating for overall implementation progress:** Moderately Satisfactory

**Brief Summary of Project Implementation Status:**

The project is currently on hold, as agreed with the IsDB.

Sub-component 1.1: Diagnostic Assessment for the Development of E4E Country Action Plan towards transforming the TVET landscape, executed by the IFC, was finalized in June 2015. Apex, a local consultancy firm was contracted, in January 2015, to carry out the diagnostic research and mapping out of stakeholders, to confirm E4E potential intervention in two or more sectors in Yemen. In the research, the consultancy firm used both
qualitative and quantitative techniques, conducting desk studies, benchmarking, stakeholder workshops, f2f structured interviews and industry expert insights. Prior studies, reports, public/private led initiatives that are relevant, were reviewed, to secure a good understanding of the context within which the project will be implemented.

Construction, Health Care and Financial services, were identified as growth sectors that have potential employment opportunities, and are appropriate for an E4E intervention. A stakeholder mapping was undertaken to identify key stakeholders in these sectors, and inform a plan for stakeholder engagement, to ensure that project results are widely inclusive.

To complement the desk top studies, and to provide a more structured quantitative perspective, structured surveys and focus group discussions were undertaken in each of the identified growth sectors (Construction, Health care and Financial services). Discussions included government officials, education/training providers, Business associations, private employers, and other donors. The purpose of the discussions were:

- To identify skill gaps and needs in these sectors,
- To present the E4E model to stakeholders,
- To build support, momentum and commitment to the project, and
- To identify partners for implementation in identified sectors

Due to the tight security situation in Yemen, in January, the discussions were conducted; by the regional IFC team based in Egypt via VC, the local IFC team based in Yemen, and members from the consultancy firm. The consultancy firm followed the discussions by another desk research, targeting stakeholders in growth sectors, in the GCC countries, to identify demand for skilled workers and qualifications requirements, in these countries, in support of potential mobility of labor from Yemen.

Phase two of the consultancy included developing appropriate solutions for the different sectors and developing an implementation plan for the project. The consultants’ final report was received in June, 2015.

### C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component 1: Reforming and Transforming the TVET sub Sector (IFC Executed).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Rating: Satisfactory</td>
</tr>
</tbody>
</table>

**Sub-component 1.1: Diagnostic Assessment for the Development of E4E Country Action Plan towards transforming the TVET landscape:** The overall objective of this component is to identify E4E opportunities in Yemen, potential sectors intervention and identify potential partners for implementation.

**Status of Implementation:**

Diagnostic Report was completed in June 2015. The report includes:

- Assessment of the market needs and skill gaps of three identified sectors for E4E intervention; Construction, Health Care and Financial Services
- Assessment of the current status of the education sector in Yemen, to identify the gap between supply and demand
- An Analysis of the skills development needs in the specified sectors
- Stakeholder analysis and mapping including; Public/private providers, employers, international and local NGOs, Ministries, professional bodies, associations and employment offices, in the identified three sectors
- Solution development: Identified short term, medium and long term opportunities for addressing the high levels of unemployment in Yemen
- Potential partners for E4E intervention
- Estimate of labor mobility in GCC countries, in identified sectors

---

8 Include for each component: (i) qualitative achievements, (ii) key milestones (current or future), (iii) any significant changes in project components or budget reallocations, and as applicable (i) reasons for implementation delays, (ii) implementation challenges, (iii) funding status, and (iv) other relevant information.
**Sub-component 1.2: Bridging the skills Gap:** Based on the assessment findings, this activity will address the needs identified in terms of vocational training in priority sectors, linking different stakeholders who promote and deliver vocational training. Moreover, this activity will complement existing IFC initiatives in Yemen, in particular, the IFC Business Edge management-training program.

**Status of Implementation:**
This activity was planned to start in June 2015. All activities are now on hold due to the current political situation in Yemen.

**Sub-component 1.3: National Qualification Framework (NQF):** To strengthen the delivery of the skills’ development programs and enhance the competencies of youth to match the requirements of the labor market, this activity will design a National Qualification Framework (NQF) for a pilot sector based upon identified priority sectors.

**Status of Implementation:**
This activity was planned to start June 2015, based on the research findings. All activity was put on hold due to the current political situation.

**Sub-component 1.4: Stakeholders and investment seminars:** The project will also conduct the following workshops: (a) kick of workshops and symposiums (3-4) to gather and harness relevant data and information from the different stakeholders, government, private sector, legislative bodies, media and employers; and (b) main workshop to disseminate findings of the report and get the support and consensus of the key stakeholders including the Government of Yemen, private sector and development partners.

**Status of Implementation:**
Series of kick off workshops was conducted, in January and February 2015, jointly between; local IFC Team, in Yemen, working on the ground, regional team via VC, and Consultancy firm members, with project stakeholders, including government officials, educational providers (public and private), business associations, private sector organizations, employers and donors.

On finalizing the diagnostic report and due to the current political situation, the project team and consultancy firm were unable to conduct workshops to disseminate report findings.

It is the intention of the project team, that once the situation is stable, to jointly review report findings, in light of Yemen’s situation, at the time. The team will then disseminate report findings, to get consensus of key stakeholders, to start planned implementation, accordingly.

---

**Component 2: Invest in Youth Job Readiness and Retraining (IsDB executed)**
This component is designed to provide a pilot model for reskilling and retraining of university and TVET graduates by availing the relevant skills and competencies that are needed in the local and regional market. Specifically, this activity will strengthen the employability of 2,700 youth in Yemen through work readiness training with a focus on English and computer skills for university graduates and reskilling TVET graduates for specific vocational jobs (e.g. construction).

<table>
<thead>
<tr>
<th>Previous Rating: Satisfactory</th>
<th>Current Rating: Moderately Satisfactory</th>
<th>Cost (US$): 1,816,000</th>
</tr>
</thead>
</table>

**Sub-component 2.1: Reskilling:** Retraining 1,900 TVET graduates mainly in the construction sector, which is one of the potential growing sectors that are demanded by the domestic and regional market. The re-training program will be for a period 6 – 12 months. The programme will be carried out by specialised training and skills development agencies in Yemen. The reskilled graduates will have the opportunity to access labour market jobs in the construction sector in the local and regional labour market.

**Status of Implementation:**
The Grant Financing Agreement was completed in March 2015. A project implementation and action plan have been prepared and the activities of this component was planned to start on May 2015 but due to the country situation, Project activities haven’t started.

**Sub-component 2.2: Work readiness programme:** this aims at strengthening the employability of 800 university graduates through carrying out the following activities: (i) training on English and computer skills; (ii) interpersonal
skills training which includes teamwork, verbal/nonverbal communication skills, managing stress, conflict resolution and active learning techniques; (iii) training in job search techniques such as CV preparation, job interviews, social networking and negotiation of wages; and (iv) provide coaching, mentoring and advice for the trained youth in order to improve their access to employment opportunities; and (v) solicit youth internships with the private sector and industry.

**Status of Implementation:**
The Grant Financing Agreement was completed in March 2015. The first consultations and discussions with the Ministry of Technical, Vocational Education and Training were conducted. The identification of the training providers and beneficiaries have been planned to take place on May 2015 but due to the country situation, planned activities haven’t started.

**Component 3: Institutional Capacity Building for the MOTEVT (IsDB Executed)**
The project will provide institutional capacity building and training to MOTEVT to strengthen its ability to plan, manage, monitor, evaluate and formulate TVET reform and strategies. This activity will include setting up an effective monitoring & evaluation, and TVET management information system. Moreover, it will identify skills required for training the trainers for the sector, train and create a cadre of trainers/teachers able to deliver using new training methodologies and approaches (student centred competency based).

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>400,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:**
The Terms of Reference (TOR) of the institutional capacity building were prepared in March 2015. However, the key activities such as trainings of the staff of the MOTEVT could not be conducted due to the country situation.

**Component 4: Project Management and Coordination Function (IsDB Executed)**
A Project Management and Coordination Function (PMCF) will be established in the MOTEVT and will be responsible for the day-to-day project management concerning component 2 and 3. A Project Coordinator and a VET Expert will be hired by the project for about 24 months to support the implementation of the different activities for components 2 and 3.

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>266,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:**
The Terms of References (TORs) for the project management team has been prepared. The selection process for the staff was started but could not be completed due to the country situation.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,482,000</td>
<td>1,850,000</td>
<td>4,332,000</td>
</tr>
</tbody>
</table>

| Amount Received from Trustee (b):            |
|-----------------------------------------------|------------------------|----------------------------------------|-------------|
|                                               | 2,482,000              | 1,850,000                              | 4,332,000   |

| Actual Amount Disbursed (c):                  | 0                      | 87,078                                 | 87,078      |

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)
<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>IFC:--</td>
<td>IFC:--</td>
<td>IFC:--</td>
</tr>
<tr>
<td></td>
<td>IsDB:</td>
<td>IsDB:</td>
<td>IsDB:</td>
</tr>
<tr>
<td>2015</td>
<td>IFC:300,300</td>
<td>IFC:0</td>
<td>IFC:300,300</td>
</tr>
<tr>
<td></td>
<td>IsDB:352,000</td>
<td>IsDB:0</td>
<td>IsDB:352,000</td>
</tr>
<tr>
<td>2016</td>
<td>IFC:1,000,000</td>
<td>IFC:500,200</td>
<td>IFC:1,500,200</td>
</tr>
<tr>
<td></td>
<td>IsDB:1,480,000</td>
<td>IsDB:1,650,000</td>
<td>IsDB:3,130,000</td>
</tr>
</tbody>
</table>

**F. Disbursements of Funds for Indirect Costs (US$)**

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFC:92,500</td>
<td>IFC: 7,500</td>
<td>IFC:100,000</td>
</tr>
<tr>
<td>IsDB: 0</td>
<td>IsDB: 150,000</td>
<td>IsDB: 150,000</td>
</tr>
</tbody>
</table>

9 $200,300 committed amount for consultancy to conduct mapping of sectors and stakeholders
## G. Results Framework and Monitoring

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> Diagnostic Assessment; reforming and restructuring of the TVET sub sector to meet the demand of the labor market and the economy completed.</td>
<td>Institutional reforms and new strategy is adopted by stakeholders (Binary)</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>MOTEVT and line ministries</td>
</tr>
<tr>
<td><strong>Indicator Two: Re-skilling and work readiness (demand driven) pilot model developed for domestic and regional labour market</strong></td>
<td>Pilot model, validated, (Binary)</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>MOTEVT and line ministries</td>
</tr>
<tr>
<td><strong>Indicator Three: Capacity of the MOTEVT developed</strong></td>
<td>Reforms, programs, and associated initiatives adequately designed (Binary)</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>Yes</td>
<td>MOTEVT</td>
</tr>
</tbody>
</table>

### Intermediate Results

#### Intermediate Result (Component one): Diagnostic Assessment on Country for the Development of e4e Country Action Plan towards transforming the TVET landscape (IFC)

| Intermediate Result Indicators One: the selection of the consultancy firm to carry out diagnostic assessment. | # of consultants selected | 1 | 1 | 1 | 4 months | IFC Report | IFC | The selection process for the consultant that will carry out the diagnostic studies Activity Completed. |
| Intermediate Result Indicators Two: the diagnostic report prepared | Analytical report | 1 | 1 | 1 | 8 months | Report | IFC | It is expected the report will be ready and validated. Report ready, but not validated due to the current political situation |
| Intermediate Result Indicators Three: Education/Training providers adopting QF | Completion of the Qualification Framework in consultation with stakeholders | NA | NA | 3 | 12 months | Report | IFC | Selection of private sector partner to work on the QF. Not conducted due to the |
and delivering programs based on gaps identified by the QF-

Identification and training of education and training providers to adopt the QF

<table>
<thead>
<tr>
<th>Intermediate Result (Component Two): Invest in Youth Job Readiness and Retraining (IsDB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> identification of the training agencies and beneficiary</td>
</tr>
<tr>
<td># of training agencies selected for the training</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>The TOR and manuals of the training providers have been prepared but the selection process for the training providers could not be completed due to the country situation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: Conduct the reskilling and job readiness training</th>
</tr>
</thead>
<tbody>
<tr>
<td># of graduates that completed the reskilling and Job readiness training</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>The identification of the beneficiaries (students/Trainees) have been started in close consultation with the MOTVET. However, this activity could not start due to the country situation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Three: Placement of reskilled and trained youth</th>
</tr>
</thead>
<tbody>
<tr>
<td># of graduates employed</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>The identification of the beneficiaries have been started in close consultation with the MOTVET. However, this activity could not start due to the country situation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result (Component Three): Institutional Capacity Building for the MOTEVT (IsDB)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermediate Result indicator One:</strong> M&amp;E and Management information system (MIS) for MOTEVT</td>
</tr>
<tr>
<td># of systems created</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>The Terms of Reference of the project team and trainings of staff of</td>
</tr>
<tr>
<td>Intermediate Result indicator Two: Identification of training providers for capacity building</td>
</tr>
<tr>
<td>Intermediate Result indicator Three: The capacity of the MOTEVT enhanced</td>
</tr>
<tr>
<td><strong>Immediate Results (Component Four): Project Management and Coordination Function (IsDB)</strong></td>
</tr>
<tr>
<td>Intermediate Result Indicator two: Recruitment of the PMCF staff</td>
</tr>
</tbody>
</table>
Accountability Enhancement Project

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: Yemen Accountability Enhancement Project</th>
<th>Name of Implementation Support Agency(ies): The World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Republic of Yemen</td>
<td>Email of ISA Project Leader: <a href="mailto:frecanatini@worldbank.org">frecanatini@worldbank.org</a></td>
</tr>
<tr>
<td>Name of ISA Project Leader: Francesca Recanatini</td>
<td>Name and Email of Recipient Entity Contact: Afrah Badoylan, Chair, SNACC: <a href="mailto:afrah.badoylan@gmail.com">afrah.badoylan@gmail.com</a></td>
</tr>
<tr>
<td>Recipient Entity: Supreme National Authority for Combating Corruption (SNACC), Sana’a, Republic of Yemen</td>
<td></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 6,404,554</td>
<td>Additional Funds Leveraged and Source(s), if any (US$): 0.0</td>
</tr>
<tr>
<td>Steering Committee Approval Date: 12/5/2013</td>
<td>Total Amount Disbursed (Direct and Indirect in US$): 972,492</td>
</tr>
<tr>
<td>Project Implementation Start Date: 8/28/2014</td>
<td>Project Closing Date: 6/30/2017</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
<td>Primary Pillar: Enhancing Economic Governance</td>
</tr>
<tr>
<td>Secondary Pillar(s):</td>
<td></td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The Project Development Objective is to enhance the capacity of targeted accountability institutions to provide access to information and to improve enforcement of the anti-corruption law.

Rating for progress towards achievement of objective: Moderately Satisfactory

Rating for overall implementation progress: Moderately Satisfactory

Brief Summary of Project Implementation Status:
The grant agreement was signed on July 10, 2014, became effective on August 28, 2014 and is expected to close by June 30, 2017. The project was launched on January 15, 2015 in Sana’a during an event attended by high-level Yemeni officials, including the Prime-minister, donors, members of the diplomatic community in Sana’a, and civil society representatives. Two Supervision Missions have been organized between August 11-14, 2014, and January 11-15, 2015. Implementation has started and a priority Action Plan was developed including actions for each subcomponent of the 4 project components. The PMU prepared an implementation plan for each component and activity under the Project and which clearly distinguishes actions related to: (a) Procurement; (b) Technical Assistance; (c) Capacity Building; and (d) Intermittent Execution. It was ready to be implemented with an already approved Procurement Plan.

The Bank has hired an experienced local STC as the Project Coordinator based in Sana’a, who would provide day to day implementation support to the Project. He is supported by headquarter based international consultant on governance and anti-corruption matters. The Project Management Unit (PMU) hired an Executive Director, Procurement Officer, Financial Officer, Secretary, Civil Society Coordinator, a Legal Expert, and a Monitoring and Evaluation expert. It is in the process of also contracting a Media and Communication expert for the PMU. The PMU established its office and procured the goods for it.

During the WB’s Supervision Mission in January 2015, the Chair of the Yemeni Supreme Judicial Council agreed to establish 2 judge benches in 7 Public Funds Courts in the country that will adjudicate only on anti-corruption cases. Moreover, the Chief of Staff of the President agreed to approve ICO’s core staff as an ad interim measure before the approval of its By-laws including the organizational structure. He also agreed to issue directions to line ministries to appoint information officers to respond to information requests from citizens. The procurement for part of the goods and equipment needed by the implementing agencies was initiated. At the same time, a series of activities to build the capacity of members of SNACC and YACC took place, specifically a study tour for SNACC officials to Romania and Slovenia, as well as for SNACC and YACC members to India. Furthermore, a workshop was organized on January 12, in Sana’a for SNACC members and senior staff on
Project Scope and Design. A workshop was also organized to design the National Household Survey on Corruption and Quality of Service Delivery Survey in the Health sector.

However, the current political/security situation in Yemen and the Bank decision to suspend disbursements under the Yemen portfolio, including all IDA Credits and Grants and Grants administered under the Trust Funds as of March 11, 2015 has affected the implementation of the project. Specifically, the agreement reached with the Yemeni government during the 11-15 supervision mission on the measures to be adopted by the government and the technical expertise that the WB can provide to support these measures, particularly under Component 1 and 2 (supporting the SNACC and the setting up of the Information Commissioner Office) could not be implemented. It has also delayed the hiring consultants to provide technical assistance to SNACC and ICO, as well as the deployment of household surveys and corruption documenting activities on the ground by local NGOs.

C. Implementation Status of Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>2,550,000.00</td>
</tr>
</tbody>
</table>

**Sub-component 1.1:** Establishing core systems and enhancing the institutional capacity of SNACC

**Status of Implementation:** All planned activities under this subcomponent started.

During the supervision mission conducted in Sanaa in January 11-15 activities and milestones were agreed with the implementing agencies, knowing fully well that there Would be delays in implementation due to ongoing political instability and security situation.

The following major priority actions were agreed with the counterparts during the supervision mission:

- The selection process for the national and international expert positions to provide technical assistance to SNACC will be finalized as soon as possible.
- SNACC will prepare legal amendments on: removing immunity to senior officials, providing investigative powers to SNACC, establishing anti-corruption courts, and other legislations as per NDC’s recommendations.
- A comprehensive Training Plan will be prepared for judges who preside over corruption cases.
- Two judge benches will be established in each of the seven Public Fund Courts in Yemen by a decree of the Supreme Judicial Council. The SCJ Chair will present the official request received from SNACC to Supreme Judicial Council for approval.
- The Project will provide necessary furniture and office equipment for the SNACC office.
- A Strategy to reduce Bribery in primary service delivery units of the Ministry of Health will be prepared and implemented.

At the same time:

(a) SNACC informed the mission that it is facing financial difficulties, including for paying salaries, as well as overcrowdedness at their office location, lack of technological capacity, and staff shortcomings, such as absence of strategy experts in the legal department or insufficient number of investigators in the investigation sector. SNACC also faces obstacles with the Ministry of Finance, particularly at the lower employee level, for budget approval and transfer. There is also a lack of awareness within the SNACC and among citizens about the project and how it can assist the Yemeni institutions to increase accountability and transparency.

**Sub-component 1.2:** Building the capacity of Judges and Prosecution Lawyers of the Public Fund Courts.

**Status of Implementation:** The ToR for an expert/institute to design a Training Program for Judges of Anti-Corruption Courts has been prepared. The position was advertised and EOI was sent to international institutes with expertise in providing such trainings. The selection process is ongoing.

**Sub-component 1.3:** Training government officials of seven pilot sectors and COCA staff.

**Status of Implementation:** Preparation of a Training Program for COCA Auditors in charge of 7 pilot sectors of the project: the Bank team is in the process of preparing the training program in consultation with COCA.

**Component 2:** Supporting the implementation of the Right to Access to Information (RAI) Law

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Satisfactory</td>
<td>1,275,000.00</td>
</tr>
</tbody>
</table>

**Sub-component 2.1:** Enhancing the institutional capacity of the Information Commissioner’s Office.

**Status of Implementation:** The implementation of RAI law is hampered by lack of staff at the ICO, which requires approval of by-laws and organizational chart by the government. The mission obtained the support from the Chief of Staff of the President for the approval of ICO’s core staff as an intermediate measure until the RAI by-laws, including an organizational
The selection should be done as soon as the security situation allows for it.

Following are some of the highlights of progress made thus far:

- The ToR for a local consultant for developing by-Laws for the ICO was prepared, the position was advertised and the selection should be done as soon as the security situation allows for it.
- An international and local consultant for preparing ICO’s organizational structure, Strategic Plan, KPIs, Job Charts, and OM will be hired. The ToR was prepared, the position was advertised and the selection process is ongoing. Consequently, ICO’s organizational structure was sent for approval to the Presidential Office. The TOR for procuring Accounting Software for the ICO was prepared and sent to ICO for approval.

The Project will provide:

- Technical support in conducting survey for citizens’ awareness about the Right to Access of Information Law
- Necessary office equipment to the ICO (partial procurement was initiated before crisis).
- Technical assistance in appointing the Nodal Agency and Information Officers in each line ministry

**Sub-component 2.2:** Building the capacity of government to effectively enforce application of RAI law.

**Status of Implementation:** Consultant to do Systems Study and design the MIS for monitoring information requests and their disposals at different ministries, departments, and agencies: not drafted yet

**Sub-component 2.3:** Conducting baseline and end-of-project surveys on information capacities and abidance of government institution to the RAI law.

**Status of Implementation:** Activity merged with the survey under Component 3/ Subcomponent 1

**Sub-component 2.4:** Conducting multi-media campaigns for creating mass awareness about the right to information

**Status of Implementation:** N/A yet

**Component 3:** Supporting the Yemen Anti-Corruption Coalition (YACC) in raising demand for good governance in 7 pilot sectors

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>1,250,000.00</td>
</tr>
</tbody>
</table>

**Sub-component 3.1:** Documentation, Dissemination and Mediation in identified cases of corruption and poor service delivery

**Status of Implementation:**

- Three months implementation plan including the estimated cost for the Per Diem and travel costs for the observers and supervisors: cleared by the WB. After operations restart, YACC will prepare every three months in advance a three months plan with envisaged activities and CSOs involved, while trying to maintain a balance between participating NGOs and involve all of them in activities.
- YACC organized elections for the YACC chair in February 2015.
- Conducting national survey on citizen’s perceptions and experience in corruption in pilot sectors: A workshop was organized in Sana’a to receive inputs from national stakeholders on the questions to be included for the pilot sectors. Future activities under this sub-component will include:
  - YACC will prepare operational procedure for the flow of funds between the PMU and CSO Coalition for operating expenses.
  - PMU to complete the procurement process of goods and equipment to set up office for YACC.
  - A national Survey on citizen’s perception and experience in 7 pilot sectors to will be conducted with technical support from the project.
  - A national Survey on citizen’s perception and experience of Quality of Service Delivery Survey (QSDS) for the Health Sector to will be conducted with technical support from the project.

**Sub-component 3.2:** Creating mass awareness about the right to information by outreaching citizens directly

**Status of Implementation:** A workshop was organized in Sana’a to receive inputs from national stakeholders on the questions to be included for the RTI

**Sub-component 3.3:** Piloting an assessment of the information responsiveness of ministries

**Status of Implementation:** N/A

**Component 4:** Project Management

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>Satisfactory</td>
<td>925,000</td>
</tr>
</tbody>
</table>

**Status of Implementation:** Core staff of PMU appointed, PMU office established in a new rented building, new office equipment and furniture purchased and deployed. PMU is still functional despite the situation on the ground.
The PMU was also staffed and equipped with necessary goods and equipment and has enough funds in the DA to keep active (cover salary and operational costs) for at least two years.

D. Disbursements of Transition Fund Funds for Direct Project Activities

| Approved Amount for Direct Project Activities (a):  | 6,000,000 | 6,000,000 |
| Amount Received from Trustee (b):  | 6,000,000 | 6,000,000 |
| Actual Amount Disbursed (c): | 799,613 | 799,613 |

E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0</td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td>2015</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2016</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2017</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>388,111</td>
<td>92,389</td>
<td>480,500</td>
</tr>
</tbody>
</table>

10 Disbursement figures for 2015-2017 are not available at this stage because of the current situation on the ground and the suspension of activities by the World Bank in Yemen until the political crisis is resolved.
G. Results Framework and Monitoring

**Project Development Objective (PDO):** Enhance the capacity of targeted accountability institutions to provide access to information and to improve enforcement of anti-corruption law.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot ministries that adopted the recommended changes in the existing business processes to prevent corruption and leakage of public finances</td>
<td>Number</td>
<td>0</td>
<td>N/A</td>
<td>4</td>
<td>7</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F</td>
<td>F</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Diagnostic study of corruption in pilot ministries</td>
<td>SNACC</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Executive Orders issued by the pilot ministries</td>
<td>SNACC, pilot ministries</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Diagnostic studies on corruption in pilot sectors will be conducted. At the same time, a national survey on citizen’s perceptions and experience in corruption will be conducted. The baseline therefore is zero. A total of 7 pilot sectors have been targeted. Hence, the end target is 7.</td>
<td></td>
</tr>
<tr>
<td><strong>Indicator Two:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F</td>
<td>F</td>
</tr>
<tr>
<td>Investigated corruption cases by SNACC in which prosecution is sanctioned by the AGO</td>
<td>Percentag e</td>
<td>10</td>
<td>N/A</td>
<td>15</td>
<td>20</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SNACC and AGO reports</td>
<td>MoJ</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In 2012, SNACC had referred 255 cases to the Public Fund Prosecution. However, the AGO prosecuted only 26 cases (10 %) in the Public Funds Courts. With enhanced capacity of, and coordination between SNACC investigators and AGO prosecutors,</td>
<td></td>
</tr>
</tbody>
</table>

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11 Given the current situation on the ground in Yemen the team cannot evaluate the progress achieved during the past fiscal year.
this proportion would rise.

---

**Indicator Three:**
Citizens who are aware about their right to access information.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>N/A</th>
<th>20</th>
<th>40</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Survey to be conducted by the ICO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&lt;5</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ICO</td>
</tr>
</tbody>
</table>

The RAI law has been passed in July 2012. The ICO has been appointed in July 2013. So far, there has been no focused effort to raise awareness. In consultation with the ICO, the baseline is estimated to be < 5%. With a large proportion of rural population, it will be difficult to go beyond 40% coverage by project end.

---

**Indicator Four:**
Citizens identified as the victim of corruption by the civil society have their problem successfully mediated and resolved by the YACC.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>N/A</th>
<th>40</th>
<th>60</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>YACC and PMU reports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Independent impact evaluation</td>
</tr>
</tbody>
</table>

YACC will select 70 observers and 10 supervisors to document corruption cases in the field and will receive costs disbursement after the organize elections for YACC chair. There are no identified victims of corruption yet. Thus, the baseline is zero.

---

**Indicator Five:**
Legal amendments and Policy decisions approved under TACAP are adopted by Council of Ministers

<table>
<thead>
<tr>
<th>Number</th>
<th>N/A</th>
<th>4</th>
<th>7</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>SNACC, MoLA, CoM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MoLA</td>
</tr>
</tbody>
</table>

All the legal amendments and policy decisions are in accordance with TACAP and NDC recommendations. Hence, 100% target has been set.
### Intermediate Result (Component One): Supporting implementation of the National Anticorruption Strategy and Transparency and Anti-corruption Action Plan

<table>
<thead>
<tr>
<th>Intermediate Result indicator One: Diagnostic study of form and manifestation of corruption in 7 pilot ministries completed.</th>
<th>Number</th>
<th>0</th>
<th>N/A</th>
<th>3</th>
<th>7</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether the report of diagnostic study has been finalized</th>
<th>SNACC</th>
<th>SNACC has published the final report on the diagnostic study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Two: Decision Support System for the Asset Declaration Sector established.</td>
<td>Y/N</td>
<td>N</td>
<td>N/A</td>
<td>Y</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual</td>
<td>Verify whether database management system is installed and operational</td>
<td>SNACC</td>
<td>Output reports on the Asset Declarations.</td>
</tr>
<tr>
<td>Intermediate Result indicator Three: Management Information System for the Investigations and Complaints Management Sector established</td>
<td>Y/N</td>
<td>N</td>
<td>N/A</td>
<td>Y</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual</td>
<td>Verify whether management information system is installed and operational</td>
<td>SNACC</td>
<td>Output reports on the Management Information System.</td>
</tr>
<tr>
<td>Intermediate Result indicator Four: Interactive website to disseminate and receive information on anticorruption and receive citizens’ complaints launched</td>
<td>Y/N</td>
<td>N</td>
<td>N/A</td>
<td>Y</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual</td>
<td>Verify whether the interactive website is installed and operational</td>
<td>SNACC</td>
<td>Output reports and anticorruption information on the website.</td>
</tr>
<tr>
<td>Intermediate Result indicator Five: Number of amendments to the anticorruption legal framework and executive orders drafted in accordance with TACAP and NDC resolution</td>
<td>Number</td>
<td>0</td>
<td>N/A</td>
<td>4</td>
<td>7</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual</td>
<td>Verify whether the amendments in the anticorruption framework reflects in the applicable laws</td>
<td>SNACC</td>
<td>Amendments in the anticorruption framework reflected in the applicable laws</td>
</tr>
<tr>
<td>Intermediate Result indicator Six: SNACC officials trained in investigations, legal framework, database management and complaints management; and Officials of law enforcement agencies (Public Fund Court and Attorneys for Corruption cases)</td>
<td>Number</td>
<td>0</td>
<td>N/A</td>
<td>160</td>
<td>200</td>
<td>N/A</td>
<td>N/A</td>
<td>Annual</td>
<td>Evaluation of capacity of staff of SNACC in the field of investigation and complaints management and of law enforcement</td>
<td>SNACC and law enforcement agencies</td>
<td>SNACC has enhanced Investigations procedures implemented by its staff and Law enforcement agencies have enhanced prosecution</td>
</tr>
</tbody>
</table>
trained in the field of prosecution.

**Intermediate Result indicator Seven**: National Anti-Corruption Strategy is revised and updated

<table>
<thead>
<tr>
<th></th>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>Y</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether the National Anti-Corruption Strategy updated for 2015-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNACC</td>
<td>New National Anti-Corruption Strategy for four years 2015-2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Two)**: Supporting the implementation of the Right to Access to Information (RAI) law

| Intermediate Result indicator One: Capacity of the Information Commissioner’s Office staff developed (staff trained) | Number | 0  | N/A | 50  | 90  | N/A | Annual | Identification of gaps in capacity of Information Commissioner’s Office staff |
|---|---|---|---|---|---|---|---|---|---|
| ICO | Gaps in capacity of ICO staff closed |

<table>
<thead>
<tr>
<th>Intermediate Result indicator Two: By-laws for Right to Access to Information Law developed</th>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>Y</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether RAI By-laws have been developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICO</td>
<td>By-laws finalized and published by ICO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Three: Road Map for the RAI’s implementation, Operational manual, four year strategic plan for Right to Access to Information Law implemented</th>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>Y</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether ICO’s Operational manuals, four year strategic plan have been implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICO</td>
<td>Evaluation of effectiveness of implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Four: Knowledge of public officials increased on their obligations under the RAI law (officials trained)</th>
<th>Number</th>
<th>0</th>
<th>N/A</th>
<th>300</th>
<th>500</th>
<th>N/A</th>
<th>Annual</th>
<th>Evaluation of capacity of public officials on their obligations under the RAI law</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICO</td>
<td>Abidance of the 7 pilot ministries by the RAI law increased</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator Five: Baseline and end-of-project survey on citizen’s awareness on RAI law conducted</th>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>Y</th>
<th>N/A</th>
<th>N/A</th>
<th>First and the last year of the project</th>
<th>ICO, Independent Survey Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMU</td>
<td>An independent firm will be hired to do the survey.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Intermediate Result Indicator Six:  
Multi-media campaign to increase mass awareness about right to information conducted

<table>
<thead>
<tr>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>Y</th>
<th>Y</th>
<th>N/A</th>
<th>N/A</th>
<th>Throughout the project</th>
<th>ICO, Independent Survey Firm</th>
<th>PMU</th>
</tr>
</thead>
</table>

### Intermediate Result Indicator Seven:  
Survey on information infrastructure and capacities in government institutions for abidance to the RAI law conducted

<table>
<thead>
<tr>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>First year of the project</th>
<th>ICO, Independent Survey Firm</th>
<th>PMU</th>
</tr>
</thead>
</table>

An independent firm will be hired to do the survey.

### Intermediate Result Indicator Eight:  
An Information Portal for proactive disclosure of government information is launched

<table>
<thead>
<tr>
<th>Y/N</th>
<th>N</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>N/A</th>
<th>First year of the project</th>
<th>ICO</th>
<th>PMU</th>
</tr>
</thead>
</table>

### Intermediate Result (Component Three):  
Three: Supporting the Yemen Anti-Corruption Coalition in raising demand for good governance in 7 pilot sectors

#### Intermediate Result Indicator One:  
Pilot sectors in which victims of corruption and poor service delivery identified, their evidence recorded and case study documented

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>N/A</th>
<th>6</th>
<th>7</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether the case study report Victims of corruption and poor service delivery have been finalized</th>
<th>YACC</th>
<th>YACC has the final case study reports and documentary film.</th>
</tr>
</thead>
</table>

#### Intermediate Result Indicator Two:  
Case Studies of victims of corruption and poor service delivery in the pilot sectors are disseminated

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>N/A</th>
<th>20</th>
<th>35</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Verify whether the case study reports of victims of corruption and poor service delivery have been published and widely disseminated</th>
<th>YACC</th>
<th>Assessment of the reach of media-vehicles used for dissemination amongst the target audience</th>
</tr>
</thead>
</table>

#### Intermediate Result Indicator Three:  
Volunteers of YACC received basic training in investigations, data collection,

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>N/A</th>
<th>90</th>
<th>90</th>
<th>N/A</th>
<th>N/A</th>
<th>Annual</th>
<th>Evaluation of capacity of concerned YACC’s staff in</th>
<th>YACC</th>
<th>YACC has enhanced investigations and documentation procedures</th>
</tr>
</thead>
</table>

---

227
Field supervisors received advanced training in investigations, documentation of evidence and presentation of findings.

<table>
<thead>
<tr>
<th>Intermediate Result indicator Four: Identified corruption cases mediated with concerning government agencies</th>
<th>Number</th>
<th>0</th>
<th>18</th>
<th>18</th>
<th>investigation and documentation of evidence, Evaluation of capacity of concerned YACC’s staff in investigation and documentation of evidence</th>
<th>implemented by its staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result indicator Five: Awareness created amongst citizens about their right to access of information (workshops/public meetings held)</td>
<td>Number</td>
<td>0</td>
<td>N/A</td>
<td>408</td>
<td>408</td>
<td>Video recording of meetings/workshops</td>
</tr>
<tr>
<td>Intermediate Result indicator Six: Baseline and end-of-project survey of information responsiveness in 7 pilot ministries</td>
<td>Y/N</td>
<td>N</td>
<td>N/A</td>
<td>N/A</td>
<td>First and the third year of the project</td>
<td>Survey results</td>
</tr>
</tbody>
</table>

** Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’
Enterprise Revitalization and Employment Pilot Project

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name:</th>
<th>Enterprise Revitalization and Employment Pilot (EREP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name:</td>
<td>Yemen</td>
</tr>
<tr>
<td>Name of ISA Project Leader:</td>
<td>Nabila Assaf</td>
</tr>
<tr>
<td>Recipient Entity:</td>
<td>Small and Micro Enterprise Promotion Service (SMEPS)</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact:</td>
<td>Wesam Qaid Executive Director. Phone: +967734789631, Email: <a href="mailto:wqaid@smeps.org">wqaid@smeps.org</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>4,640,000</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>none</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>$2,354,572</td>
</tr>
<tr>
<td>(Direct=2,174,371 and Indirect= 180,201)</td>
<td></td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>January 16, 2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>June 19, 2013 (grant signature date)</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>December 31, 2015</td>
</tr>
<tr>
<td>Extended to December 31, 2016</td>
<td></td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee):</td>
<td></td>
</tr>
<tr>
<td>Primary Pillar (select only):</td>
<td>Investing in Sustainable Growth</td>
</tr>
<tr>
<td>Secondary Pillar(s) (select as many as applicable):</td>
<td>Inclusive Development and Job Creation Competitiveness and Integration</td>
</tr>
<tr>
<td>Choose an item.</td>
<td></td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: To improve individual employability and SME capabilities for graduates and firms participating in a pilot scheme and inform related policies and programs.

Rating for progress towards achievement of objective: Moderately Satisfactory

Rating for overall implementation progress: Moderately Unsatisfactory

Brief Summary of Project Implementation Status:
The current political/security situation in Yemen has greatly affected the implementation of the EREP project and the overall Bank portfolio in Yemen. On February 10, the Bank initiated an assessment under OP7.30 on Bank’s "Deals with de facto Governments", which concluded that the security situation had deteriorated to the degree that the Bank was unable to exercise effective management over its projects. Specifically, the Bank’s ability to communicate and coordinate with government counterparts has declined significantly; government counterparts cannot perform their obligations as agreed under the relevant legal agreements; project implementation areas are not accessible; the security environment is inadequate for Bank presence and supervision, making fiduciary monitoring and oversight extremely difficult. In light of this assessment, and pursuant to the legal agreements of IDA credits and grants, and trust fund grants, read together with the relevant provisions of the applicable General Conditions, and Standard Conditions, the Bank has suspended disbursements under the Yemen portfolio, including all IDA Credits and Grants and Grants administered under the Trust Funds as of March 11, 2015.

Although satisfactory results were made on the first and second year of implementation, the suspension of Bank disbursements on March 11, 2015 and the overall deterioration of the security situation in the country impacted adversely the satisfactory implementation of the project. Due to such developments, SMEPS had to halt all project activities under the recipient executed component which included suspending their implementation and plans for round two of the pilot project and the Bank had to scale down its activities under the bank executed impact evaluation. Ratings for project progress towards achievement of objective was lowered from Satisfactory to Moderately Unsatisfactory, and the overall rating of implementation progress was also lowered from Satisfactory to Moderately Unsatisfactory.

Confirmed project results remain as was reported on the previous progress report which reflect progress made on the first round of project implementation. On PDO level indicators, and prior to the Bank suspension, the EREP project reported a 40% employment rate among participating youth in the project (YR 2 target was 20%) with 11% female participation (target was 5%). Direct project beneficiaries exceeded expectations at over 4200 beneficiaries (includes graduates benefitting from training or internships and employees of benefitting firms). Under the Bank executed component, the Bank managed to conduct and deliver two prefeasibility studies for expanding financial inclusion through postal banking and another study on the prospects of introducing micro-insurance in Yemen. The impact evaluation was partially completed,
with baseline and endline surveys completed for the first round of internships and BDS grants. However, given that only one round one data is available, it is unclear if these surveys will yield enough data for an impact evaluation.

### C. Implementation Status of Components

#### Component 1: SME Internship and Upgrading Program

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>3,720,000</td>
</tr>
</tbody>
</table>

**Sub-component 1.1: Internships**

**Status of Implementation:** For the Matching Component, initially 198 interns were placed during the 1st Round; a total of 128 interns completed the six (6) month internship program. Out of the 128 interns, Ninety (90) of them continued working as full time in the same firm they conducted their internship, and 9 of them found jobs in other firms. Meaning 80% of interns that complete the program found full-time employment. In addition, 21 interns from 73 that dropped out also found another job.

For the 2nd Round, although the internship component and placement of interns was initiated, the project management had to regretfully inform interns and firms which hosts interns that the EREP will no longer be able to cover the 50% stipend for the interns beyond March 11, 2015, and that interns and firms will have to make their own decision regarding keeping interns or letting them go.

**Sub-component 1.2: SME Upgrading**

**Status of Implementation:** The total number of firms benefiting from the Grant Matching component reached (204) firms, these results are mainly from the implementation of the 1st Round. Firms that participated on the 1st Round completed the implementation of their BDPs, received their matching grants, and reported improved capabilities after completion of services.

For the second round, the selection of the 200 firms that would have benefited from round two of the Business Development Matching grants was initiated and those firms submitted their BDPs, but due to the Bank suspension, the project management had to inform the firms that the EREP would not have the funding needed to support the firms upgrading plans.

**Sub-component 1.3: Project management**

**Status of Implementation:** Due to the security situation on the ground in Sana’a and Aden, the key management staff including the Project Manager and BDP and HR advisors are no longer available. The Project Manager submitted his resignation and SMEPS had to lay cancel the contracts for the BDP and HR advisors. SEMPS officers as well as the Financial and Procurement Managers remained as those staff are paid exclusively by SMEPS and were not paid by project funds.

#### Component 2: Bank-executed activities: Impact Evaluation and Technical Assistance

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>430,000</td>
</tr>
</tbody>
</table>

**Sub-component 2.1: Impact Evaluation**

**Status of Implementation:** Although there were a scaling down of the impact evaluation data collection activities based on the suspension of the 2nd round, the work on the studies and analysis of the data collected for the 1st Round is underway. Baseline and Endline data for the 1st Round has been collected for all the participating firms and interns including data from the application process and a baseline survey for the interns.

**Sub-component 2.2: Technical assistance**

**Status of Implementation:** As was previously reported, the Bank managed to conduct and deliver two feasibility studies for expanding financial inclusion through postal banking and another study on the prospects of introducing micro-insurance in Yemen.

The first is a policy note on the viability of micro-insurance as a risk-mitigation instrument for the poor. This feasibility study was undertaken based on consultations with SFD which was seeking to examine micro-insurance viability in Yemen as an embedded service of microfinance institutions. The study was officially delivered to the government on early December. Recognizing the report recommendations, the government held a stakeholders meeting on Dec 17, 2015 in which the stakeholders agreed to a Steering Committee for Micro-Insurance in Yemen, with the objective of introducing micro-insurance in Yemen as a risk mitigation and resilience tool for the poor. The composition of the Steering Committee and its primary objectives was going to be presented to the Minister of Industry and Trade for approval and announcement.
but due to the political and security deterioration in the country, the client (SFD), decided to postpone any plans or work under this initiative until the political and security situation improves.

The second policy note was undertaken based on a request from the Yemen Post is a feasibility study on postal financial inclusion in Yemen. This was undertaken jointly with CGAP and the Universal Postal Union (UPU). The Bank submitted the draft study to the Post and discussed the findings of the feasibility study during a meeting held on Dec 17, 2015. The meeting was attended by the Director of the Yemen Post, as well as representatives from SFD and the Central Bank of Yemen. It was agreed that the study was well prepared and provided a clear analysis of the options before the Yemen Post with regards to their role in advancing financial inclusion in Yemen. Through the discussion, a number of revisions were requested, primarily to the Executive Summary of the report, to clarify the nature of the decision needed by the GoY to enable the Yemen Post to move forward. The Bank made those revisions and the study was officially delivered to the Post, no further information was reported by the Post on progress or further plans.

The impact evaluation was partially completed, with baseline and endline surveys completed for the first round of internships and BDS grants. However, given that only round one data is available, it is unclear if these surveys will yield enough data for an impact evaluation. Evaluation of the data obtained from these surveys is underway.

### D. Disbursements of Transition Fund Funds for Direct Project Activities

<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,719,000</td>
<td>430,000</td>
<td>4,150,000</td>
<td></td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>3,720,000</td>
<td>430,000</td>
<td>4,150,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>1,931,354</td>
<td>243,017</td>
<td>2,174,371</td>
</tr>
</tbody>
</table>

### E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (actual)</td>
<td>0</td>
<td>403,833</td>
<td>403,833</td>
</tr>
<tr>
<td>2014 (actual)</td>
<td>346,287</td>
<td>1,079,015</td>
<td>1,425,302</td>
</tr>
<tr>
<td>2015 (actual through June)</td>
<td>345,236</td>
<td>100,000</td>
<td>445,236</td>
</tr>
<tr>
<td>2016</td>
<td>1000,000</td>
<td>874,579</td>
<td>1,874,579</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### F. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>180,201</td>
<td>263,399</td>
<td>443,600</td>
</tr>
</tbody>
</table>
G. **Results Framework and Monitoring** (AS of June 30, 2015, NO UPDATES AVAILABLE SINCE LAST REPORT)

**Project Development Objective (PDO):** To improve individual employability and SME capabilities for graduates and firms participating in a job-intensive SME support pilot scheme and to inform related policies and programs.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequenc y</th>
<th>Data Source/ Methodology</th>
<th>Responsibili ty for Data Collection</th>
<th>Description (indicator definition etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator One: Participating youth employed (percentage women)</td>
<td>Percent (percent female)</td>
<td>0</td>
<td>-</td>
<td>20 percent F (5 percent) 40% (11%) A</td>
<td>50 percent (5 percent)</td>
<td>3 months and 6 months after the end of the subsidy</td>
<td>SMEPS</td>
</tr>
<tr>
<td>Indicator Two: Participating firms with improved capabilities after completion of services</td>
<td>Number</td>
<td>0</td>
<td>-</td>
<td>30 percent F (45 firms, assuming all 150 firms expected to procure business services complete their plans)</td>
<td>65 percent F (195 firms, assuming all 300 firms expected to procure business services complete their plans).</td>
<td>6 months after completio n</td>
<td>SMEPS</td>
</tr>
</tbody>
</table>
**Indicator Three:** Policies and programs utilizing the outcomes of the pilot project.

<table>
<thead>
<tr>
<th>Number</th>
<th>0</th>
<th>-</th>
<th>- F 2 A</th>
<th>3</th>
<th>6 months after completion</th>
<th>Aide Memoire</th>
<th>World Bank</th>
<th>Policies and programs could be government strategy, scaled up project, or other program.</th>
</tr>
</thead>
</table>

**Indicator Four:** Direct project beneficiaries (percentage women)

<table>
<thead>
<tr>
<th>Number (Percent female)</th>
<th>0 (2.5 percent)</th>
<th>600 F (3 percent) 639 A</th>
<th>1,200 F (3 percent) 4241 (23%)A</th>
<th>1,900 (3 percent)</th>
<th>Semi-annually</th>
<th>M&amp;E System</th>
<th>SMEPS</th>
<th>Note 12</th>
</tr>
</thead>
</table>

Comments: Number of beneficiaries is much higher than target mainly because the average number of employees of participating firms is 12 compared to the initial estimate of 3.

12 Direct project beneficiaries counted as total graduates receiving at least basic training (1000 receiving basic skills) plus total estimated employees of participating firms (assuming average firm size 3 workers, 300 firms receiving services). The percent women baseline is based on the 2011 Yemen Investment Climate update which found less than 2% participation among labor force in small firms, and 11% women ownership among small firms. (Small firms were used as they are the most likely beneficiaries).
Intermediate Results (Component One): Successfully facilitate internships and business services to private enterprises.

**Intermediate Result indicator One:** Number of firms requesting business services

<table>
<thead>
<tr>
<th>Number</th>
<th>YR 1</th>
<th>YR 2</th>
<th>YR3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>200 F 821 A</td>
<td>400 F 1257 A</td>
</tr>
<tr>
<td>Comments:</td>
<td>interest of firms to participate in the project has exceeded expectations.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm applications</th>
<th>Ongoing</th>
<th>Project Officers</th>
</tr>
</thead>
</table>

**Intermediate Result indicator Two:** Number of firms participating in BDS program

<table>
<thead>
<tr>
<th>Number</th>
<th>YR 1</th>
<th>YR 2</th>
<th>YR3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>133 F 189 A</td>
<td>266 F 204 A</td>
</tr>
<tr>
<td>Comments:</td>
<td>It was anticipated that by end of Year 2 part of the Round 2 firms would already have started their participation in the program.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm applications</th>
<th>Ongoing</th>
<th>Project Officers</th>
</tr>
</thead>
</table>

**Intermediate Result indicator Three:** Number of firms procuring business services (with percentage women owned or managed tracked)

<table>
<thead>
<tr>
<th>Number</th>
<th>YR 1</th>
<th>YR 2</th>
<th>YR3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>50 F 107 A</td>
<td>150 F 165 A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11% female A</td>
<td>14% female A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>M&amp;E System/ follow-up visits</th>
<th>Ongoing</th>
<th>BDP Advisors</th>
</tr>
</thead>
</table>

**Intermediate Result indicator Four:** Number of youth applying internships (with percentage women tracked)

<table>
<thead>
<tr>
<th>Number</th>
<th>YR 1</th>
<th>YR 2</th>
<th>YR3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>300 F 3371 A</td>
<td>600 F 4654 A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22% female A</td>
<td>29% female A</td>
</tr>
<tr>
<td>Comments:</td>
<td>interest of youth to participate in the project</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Youth applications</th>
<th>Ongoing</th>
<th>Project Officers</th>
</tr>
</thead>
</table>

235
<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Number</th>
<th>0</th>
<th>50 F</th>
<th>100 F</th>
<th>Comments: Indicator is not being collected because it was not assessed as relevant. Indicator will be dropped in the upcoming restructuring.</th>
<th>200</th>
<th>Ongoing</th>
<th>M&amp;E System/status reports</th>
<th>Internship Advisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five: Number of youth selected for interviews but not placed (with percentage women tracked)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>0</td>
<td>200 F</td>
<td>161 A</td>
<td>28% female A</td>
<td>400 F</td>
<td>198 A</td>
<td>37% female A</td>
<td>Comments: Progress relates to round one (where the target was 200). Round two selection and placement is ongoing and will be completed by end of Jan.</td>
<td>400</td>
</tr>
<tr>
<td>Six: Number of youth placed in internships (with percentage women tracked)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>0</td>
<td>-</td>
<td>180 F</td>
<td>97 A</td>
<td>29% female A</td>
<td>Comments: Some interns from Round one will complete internships soon and data will be reflected on</td>
<td>360</td>
<td>Ongoing</td>
<td>M&amp;E System/follow-up visits</td>
</tr>
<tr>
<td>Seven: Number of youth completing internships (with percentage women tracked)</td>
<td></td>
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</tr>
</tbody>
</table>
In addition the drop out rate was higher than expected. The next update.

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Percent</th>
<th>0</th>
<th>-</th>
<th>50%</th>
<th>Comments: Data collection on this indicator is still underway. Data will be reflected on the next update.</th>
<th>75%</th>
<th>Once upon completion</th>
<th>M&amp;E System/ follow-up visits</th>
<th>Internship Advisors</th>
<th>As measured by assessments from employing firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eight: Percent participating youth with improved employability upon completion of the internship (with percentage women tracked)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Intermediate Result (Component Two): Successfully deliver technical assistance and knowledge.

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Number</th>
<th>0</th>
<th>-</th>
<th>1 F 2 A</th>
<th>3</th>
<th>Upon completion of notes</th>
<th>Implementation Status Reports</th>
<th>World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>One: Technical assistance notes delivered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>Binary</th>
<th>No</th>
<th>-</th>
<th>-</th>
<th>Yes</th>
<th>Once</th>
<th>Implementation Status Reports</th>
<th>World Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two: Impact evaluation completed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

F: Forecast
A: Actual
Government-CSOs Partnership Project

A. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name: GOVERNMENT-CSO PARTNERSHIP PROJECT (P144665)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name: Republic of Yemen</td>
</tr>
<tr>
<td>Name of ISA Project Leader: Najat Yamouri</td>
</tr>
<tr>
<td>Recipient Entity: Ministry of Planning and International Cooperation (MOPIC)</td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$): 1,718,700</td>
</tr>
<tr>
<td>Steering Committee Approval Date: February 20, 2013</td>
</tr>
<tr>
<td>Project Implementation Start Date: October 11, 2013</td>
</tr>
<tr>
<td>Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee)</td>
</tr>
<tr>
<td>Secondary Pillar(s) (select as many as applicable):</td>
</tr>
</tbody>
</table>

B. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The development objective of the proposed project is to enhance Government-CSOs partnerships in the implementation and monitoring of sector development programs.

Rating for progress towards achievement of objective: Moderately Unsatisfactory

Rating for overall implementation progress: Moderately Unsatisfactory

Brief Summary of Project Implementation Status: The current political/security situation in Yemen has greatly affected the implementation of all Bank projects. On February 10, the Bank initiated an assessment under OP7.30 on Bank’s “Dealings with de facto Governments”, which concluded that the security situation had deteriorated to a degree that the Bank was unable to exercise effective management over its projects. Specifically, the Bank’s ability to communicate and coordinate with government counterparts has declined significantly; government counterparts cannot perform their obligations as agreed under the relevant legal agreements; project implementation areas are not accessible; the security environment is inadequate for Bank presence and supervision, making fiduciary monitoring and oversight extremely difficult. In light of this assessment, and pursuant to the legal agreements of IDA credits and grants, and trust fund grants, read together with the relevant provisions of the applicable General Conditions, and Standard Conditions, the Bank has suspended disbursements under the Yemen portfolio, including all IDA Credits and Grants and Grants administered under the Trust Funds as of March 11, 2015.

The situation also impacted adversely implementation progress of this project. Specifically, all activities relating to the project had to be halted before the portfolio suspension. However, before operations were halted, MoPIC Minister requested MNA Transition Fund to extend the project closing date by 12 months. The grant-extension process was initiated, but it could not be concluded as events in Yemen took a turn to the worse and all operations were suspended. Therefore, considering the unpredictable nature of when operations will resume and the inability of recipient to take required action at this point, the TF grant is being closed as per the original closing date of June 30, 2015.

C. Implementation Status of Components

Component 1: Knowledge for Development Partnership

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**Component 1.0:** (i) National Learning Forum on Government-CSO partnership experiences, and a summary note; (ii) Technical assistance to Line Ministries; (iii) Project management and oversight

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**Project Component One: Partnership for Development Knowledge Conference:**

The ‘Knowledge for Development Partnership Conference and Knowledge Forum’ took place in Sanaa on March 4-6, 2014. The Conference facilitated a knowledge exchange on lessons learnt from countries that have experienced political and economic transitions and that established successful government-CSO partnerships. International experiences presented included India, Brazil, Indonesia, Palestinian Territories and Ghana. The enabling factors that supported these partnerships and the roles played by each stakeholder in improving development results were discussed. These exchanges helped Yemeni stakeholders better understand and contextualize the challenges and opportunities of partnership for development in the Yemeni context. The Conference was attended by more than 240 participants including high-level Yemeni government officials, technical government staff spanning four Ministries, civil society organizations from five governorates including Sana’a, various donors, and international NGOs. Three Ministers representing the Ministry of Planning and International Cooperation, the Ministry of Social Affairs and Labor and the Ministry of Youth attended the opening session. Counterparts for the CSO Support Project from the University of Sana’a and the Social Fund for Development also participated.

The thematic working group discussions aimed at reaching a common ground between CSOs and the government technical teams regarding the identification of the sectors to participate in the planned Sector Dialogue Sessions to be implemented as part of the project Component Two (RE). The targeted sectors were determined based on (i) being considered priorities in terms of development programs, (ii) having previous positive government-CSO experiences, and (iii) considered to include champions on the government side in terms of collaboration with CSOs. The priority sectors identified during this participatory exercise were: education, health, water, gender and youth.

Extensive outreach and information resources dissemination was launched before the conference and continued in the Development Knowledge Forum throughout the Conference. The conference report and documentation were also disseminated online and offline both in Arabic and English. In addition to the Development Knowledge Forum, the results of the working groups’ discussions were disseminated on mainstream media, on Facebook and Twitter. Key media outlets interviewed participating CSOs as well as government officials on their views on government and CSO partnerships and the potential collaboration to improve participation and inclusion in development programs. Several CSOs blogged about the event and discussed challenges and opportunities of Government CSOs partnerships in Yemen. The Conference Report reflected the proceeds and outcomes of the various conference sessions and was disseminated in English and Arabic in May 2014. In addition to these dissemination activities, the following documents were translated into Arabic and made available online to a wide audience:

- Report with the outcomes of all the conference sessions including the working groups recommendations
- Knowledge Forum documentation on Government CSOs partnerships in transition countries.
- Video blogs on the Conference as well as participants’ interviews
- Fact Sheet on the CSOs mapping and capacity assessment

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**Component 2:** Partnership and Mutual Accountability for Improved Participation and Inclusion

**Component 2.0:** (i) Preparation and organization of sector dialogue sessions; (ii) Development and validation of PMAF; (iii) Public awareness raising, knowledge sharing, dissemination and outreach activities

**Status of Implementation:**

- Project Component Two: Partnership and Mutual Accountability for Improved Participation and Inclusion
Over the past year, through the Government-CSO Partnership Project the Bank has supported Yemeni Government forge a constructive partnership with various CSOs. This has been a delicate and incremental process, allowing the trust between the parties to grow gradually over several rounds of interaction and dialogue.

The project’s first component provided the space and the technical assistance for a Government-CSOs dialogue centered both on the broad commitments under the Partnership and Mutual Accountability Framework (PMAF) and more sector-specific collaboration between different line ministries and CSOs.

Under the second component, the recipient (MoPIC) was expected to organize a series of sector-dialogue sessions, for line ministries to engage with sector-CSOs to streamline the sector-level working arrangements. For this purpose, the PIU the PWP appointed a project coordinator, Mrs. Amani Zabara, to implement activities under the component while based in MoPIC. Several activities were implemented in preparation for the sector-dialogue sessions including the following:

1. A Technical Steering Committee comprising of representatives from the line ministries participating in the Sector Dialogue Sessions was established and confirmed by MoPIC Minister. The Technical Steering Committee provided guidance on preparing the sector dialogue sessions and facilitated the dialogue between CSOs and line ministries. Since then, regular meetings of the Technical Steering Committee have been convened to follow up all steps of implementation of the project, including after the conflict had started.
2. To enhance transparency, a public website was established to help CSOs register for the sector dialogue sessions. By February 2015, more than 500 CSOs implementing development projects in different sectors had signed-up for these dialogue sessions.
3. Several notices were transmitted to CSOs via public media to register for the sector dialogue sessions through the online platform. Information on the project as well as the sector dialogue sessions’ preparation process were made available on the website.
4. Based on the list of CSOs registered through the website, a set of 351 CSOs were confirmed for participation in coordination with the Technical Steering Committee and Ministry of Social Affairs (MOSAL).
5. The TORs for the PMAF consultants and facilitators for the sector dialogue sessions were prepared and cleared by the project team.
6. To work around the security challenges, the Bank team and the client were at an advanced stage of preparing a technical/training workshop for members of the government Technical Steering Committee and facilitators in Cairo, instead of Sana’a, on Social Accountability to enable the sector dialogue sessions to go ahead despite the instability.
7. However, in light of the rapidly deteriorating security environment and with the OP 7.30 triggered in February 2015, all activities were halted keeping with the Bank’s suspension of disbursements effective March 11, 2015.

Component 3: Sector Action Plans for Improved Development Results and Capacity Building Activities

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose an item.</td>
<td>Choose an item.</td>
<td>$480,000</td>
</tr>
</tbody>
</table>

Component 3.0: (i) Preparation and formulation of Sector Action Plans (SAPs); (ii) Preparatory work to implement SAPs; (iii) Outreach and dissemination; (iv) Monitoring and evaluation

Status of Implementation: Rating for this component is Not Applicable as its implementation did not start.

Component 4: Project Management and Monitoring

<table>
<thead>
<tr>
<th>Previous Rating</th>
<th>Current Rating</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Satisfactory</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

Component 4.0: Consultants’ services, including monitoring, audit, training, and financing of Incremental Operating Costs.

Status of Implementation: The project was regularly monitored satisfactorily.

D. Disbursements of Transition Fund Funds for Direct Project Activities
<table>
<thead>
<tr>
<th></th>
<th>Country-Execution (US$)</th>
<th>Direct Cost for ISA-Execution (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Amount for Direct Project Activities (a):</td>
<td>1,000,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>1,000,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>150,000</td>
<td>419,265</td>
<td>569,265</td>
</tr>
</tbody>
</table>

**E. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>2014</td>
<td>700,000</td>
<td>0</td>
<td>720,000</td>
</tr>
<tr>
<td>2015</td>
<td>390,000</td>
<td>390,000</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

**F. Disbursements of Funds for Indirect Costs (US$)**

<table>
<thead>
<tr>
<th>Disbursed (US$)</th>
<th>Available (US$)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>217,869</td>
<td>831</td>
<td>218,700</td>
</tr>
</tbody>
</table>
### G. Results Framework and Monitoring

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/ Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicator One:</strong> Number of partnerships formalized between government(s) and civil society organizations</td>
<td>Number</td>
<td>0</td>
<td>-</td>
<td>1</td>
<td>Semi-annually</td>
<td>1. Partnership agreements reported by MOPIC; Government-CSOs Partnership Project implementation unit and , MOPIC</td>
</tr>
<tr>
<td><strong>Indicator Two:</strong> Number of CSOs representing rural and urban constituencies engaged in the dialogue</td>
<td>Number</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>Semi-annually; Once – within 6 months of project completion</td>
<td>1. Monitoring report; 2. Independent verification after project completion</td>
</tr>
<tr>
<td><strong>Indicator Three:</strong> Number of women and youth groups directly engaged in project’s activities</td>
<td>Number</td>
<td>0</td>
<td>25</td>
<td>25</td>
<td>Once – within 6 months of project completion</td>
<td>Independent verification after project completion</td>
</tr>
<tr>
<td><strong>Indicator Four:</strong> Number of direct project beneficiaries, of which female (%)</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Once – within 6 months of</td>
<td>Independent verification after project completion</td>
</tr>
</tbody>
</table>

13 Target numbers will be specified based on the findings from the FY13 Mapping and Capacity Assessment study.

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# INTERMEDIATE RESULTS

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Intermediate Result Component 1: Knowledge for Development Partnership</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1. Conference on Partnership for Development Knowledge</td>
<td>Yes / no</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Once</td>
<td>Conference Completion Report</td>
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<td></td>
</tr>
<tr>
<td>Intermediate Result Component 2: Partnership and Mutual Accountability for Improved Participation and Inclusion</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Number of government officials and CSO representatives jointly trained in capacity building workshops</td>
<td>Number</td>
<td>0</td>
<td>50</td>
<td>50</td>
<td>Semi-Annually</td>
<td>Monitoring report</td>
</tr>
<tr>
<td>3. Technical assistance notes</td>
<td>Number</td>
<td>0</td>
<td>-</td>
<td>0</td>
<td>Upon completion of notes</td>
<td>Implementation Status Reports</td>
</tr>
<tr>
<td>4. Sector Dialogue Sessions</td>
<td>Number</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Ongoing</td>
<td>Monitoring report</td>
</tr>
<tr>
<td>Intermediate Results Component 3: Sector Action Plans for Improved Development Results and Capacity Building Activities</td>
<td></td>
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</tbody>
</table>

GLOBAL GOVERNANCE INDICATORS* | Unit of Measure | Baseline | Cumulative Target Values** | Frequency | Data Source/Methodology | Responsibility for Data Collection |
<table>
<thead>
<tr>
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</tbody>
</table>

**Interim Results:**

- **October 2013 - September 2014**
- **October 2014 - June 2015**

A: Achieved

**Responsibility for Data Collection:**

- Government-CSOs Partnership Project implementation unit and MOPIC
- World Bank

**Data Source/Methodology:**

- Conference Completion Report
- Implementation Status Reports
- Monitoring report
<p>| | | | | | | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Development of a Partnership and Mutual Accountability Framework</strong></td>
<td><strong>Yes / no</strong></td>
<td><strong>No</strong></td>
<td><strong>-</strong></td>
<td><strong>no</strong></td>
<td><strong>Once</strong></td>
<td>Monitoring report</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Government-CSOs Partnership Project implementation unit and MOPIC</strong></td>
</tr>
<tr>
<td><strong>6. Creation of Sector Participation Committees (comprising representatives from line ministries and CSOs) to sustain dialogue and collaboration</strong></td>
<td><strong>Number</strong></td>
<td><strong>0</strong></td>
<td><strong>-</strong></td>
<td><strong>0</strong></td>
<td><strong>Semi-Annually</strong></td>
<td>Monitoring report</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Government-CSOs Partnership Project implementation unit and MOPIC</strong></td>
</tr>
<tr>
<td><strong>7. Number of Sector Action Plans (SAP) to promote government-CSO collaboration</strong></td>
<td><strong>Number</strong></td>
<td><strong>0</strong></td>
<td><strong>-</strong></td>
<td><strong>0</strong></td>
<td><strong>Semi-Annually</strong></td>
<td>Monitoring report</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td><strong>Government-CSOs Partnership Project implementation unit and MOPIC</strong></td>
</tr>
<tr>
<td><strong>8. Number of sector networks/coalitions created</strong></td>
<td><strong>Number</strong></td>
<td><strong>0</strong></td>
<td><strong>-</strong></td>
<td><strong>0</strong></td>
<td><strong>Semi-Annually</strong></td>
<td>Monitoring report</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Government-CSOs Partnership Project implementation unit and MOPIC</strong></td>
</tr>
<tr>
<td><strong>9. Number of identified actions in SAPs implemented</strong></td>
<td><strong>Number</strong></td>
<td><strong>0</strong></td>
<td><strong>-</strong></td>
<td><strong>0</strong></td>
<td><strong>Once</strong></td>
<td>Implementation Status Reports</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>World Bank</strong></td>
</tr>
<tr>
<td><strong>10. Number of direct project beneficiaries, of which female (%)</strong></td>
<td><strong>Number</strong></td>
<td><strong>N/A</strong></td>
<td></td>
<td></td>
<td></td>
<td>Monitoring report</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>World Bank</strong></td>
</tr>
</tbody>
</table>

**Indicate 'A' for 'Actual' and 'F' for 'Forecast'**

14 Target numbers will be specified based on the findings from the FY13 Mapping and Capacity Assessment study.
Preparation and Implementation Support Project for the Special Industrial Zone in Al-Hodeida

O. Basic Project Information

<table>
<thead>
<tr>
<th>Activity Name:</th>
<th>Preparation and Implementation Support Project for The Special Industrial Zone (SIZ) Project in Al-Hodeida</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Name:</td>
<td>Republic of Yemen</td>
</tr>
<tr>
<td>Name of Implementation Support Agency(ies):</td>
<td>Islamic Development Bank</td>
</tr>
<tr>
<td>Name of ISA Project Leader:</td>
<td>Bakkar Ali Maasher</td>
</tr>
<tr>
<td>Email of ISA Project Leader:</td>
<td><a href="mailto:bmaasher@isdb.org">bmaasher@isdb.org</a></td>
</tr>
<tr>
<td>Recipient Entity:</td>
<td>Ministry of Industry and Trade (MoIT)</td>
</tr>
<tr>
<td>Name and Email of Recipient Entity Contact:</td>
<td>Abdullah Shaiban <a href="mailto:shaiban1962@gmail.com">shaiban1962@gmail.com</a></td>
</tr>
<tr>
<td>Total Amount Approved by the Transition Fund (US$):</td>
<td>3,239,000</td>
</tr>
<tr>
<td>Additional Funds Leveraged and Source(s), if any (US$):</td>
<td>0</td>
</tr>
<tr>
<td>Total Amount Disbursed (Direct and Indirect in US$):</td>
<td>130,000</td>
</tr>
<tr>
<td>Steering Committee Approval Date:</td>
<td>5/15/2013</td>
</tr>
<tr>
<td>Project Implementation Start Date:</td>
<td>7/31/2013</td>
</tr>
<tr>
<td>Project Closing Date:</td>
<td>12/31/2016</td>
</tr>
</tbody>
</table>
| Pillar(s) to which Activity Responds (as per the proposal approved by the Steering Committee): | Primary Pillar: Inclusive Development and Job Creation  
Secondary Pillar(s): Investing in Sustainable Growth, Enhancing Economic Governance, Competitiveness and Integration |

P. Summary of Project Implementation Progress and Key Issues

Project Development Objective: The following are the high-level Project objectives:

i. Delivery of comprehensive & implementable PPP-based package for Al-Hodeida-SIZ to the GoY
ii. Establishment of a legal entity ‘SIZ Administration Agency’
iii. Delivery of integrated Institutional Support and Capacity Building package to the ‘SIZ Administration Agency’
iv. Strengthening Technical Capacity of GoY & private sector in SIZ Development, Administration & Promotion

Rating for progress towards achievement of objective: Unsatisfactory

Rating for overall implementation progress: Unsatisfactory

Brief Summary of Project Implementation Status:

Over the past 6 months, the country has witnessed a deteriorating security situation. The small progress related to the project concerned the RFP package preparation and finalization for potential release to shortlisted firms, which was reflected in the progress report submitted on 9 January 2015. It is worth noting that IDB intended to deploy a field project coordinator under 18 months contract (final selection was made) upon the successful release of the RFP to pre-qualified and committed international firms.

But, since February 2015, the deteriorating security environment has put the project on hold. IDB noticed the lack of responsiveness from the implementation agency to the basic tasks of even sounding the qualified consultants to gauge their continuous interest and then releasing the RFP. It was clear, that the security conditions would not allow any project operations to take place.

The way forward

IDB, however, shares the view of the Government (represented by MoPIC), that the project remains an important priority for Yemen. Therefore, it should resume immediately should the security situation improve, to allow the executing agency and the appointed consultants to deliver their duties.

Consequently, the IDB is of the view that the suspension of the project until the cessation of the current conflict is the most suitable option, to support the country post conflict agenda. In the next meeting of the SC, a follow up report by IDB will be presented to assess the situation for possible resumption and will review any schedule or cost implications.
Q. Implementation Status of Components

Component 1: Project Preparation Activities

<table>
<thead>
<tr>
<th>Previous Rating: NA</th>
<th>Current Rating: NA (delayed)</th>
<th>Cost (US$)*: 1,050,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Sub-component 1.1: Economic, Policy and Market Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: An expression of Interest has resulted in a good turnaround from international consulting firms with 25 applications received. MoIT technical committee qualified 10 consortia. The Final was cleared by the Supreme Tendering Commission IDB. RFP process will commence soon.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Sub-component 1.2: Site Evaluation, Master Planning and Costing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation expected to start after component 1.1 based on demand projections of market assessment. It is expected to last for 2 months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Sub-component 1.3: Social and Environmental Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation expected to start after component 1.1 with overlap with 1.2. It is expected to last for 2 months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Sub-component 1.4: Economic and Financial Analysis and Structuring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation expected to start upon the completion of 1.2 and expected to last for 2 months (excluding financial structuring/risk allocation which will be coordinated with PPP contract design).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Sub-component 1.5: Development Strategy and Implementation Plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation expected to start after the conclusion of former components and is expected to last for 1 month.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Component 2: Legal and Regulatory Advisory

<table>
<thead>
<tr>
<th>Previous Rating: NA</th>
<th>Current Rating: NA (delayed)</th>
<th>Cost (US$)*: 350,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-component 2.1: Legal Assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation is expected to overlap with component 1.1 and will trigger the legal track activities. It is expected to last for 3 months upon selection of the legal consultant(s).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Sub-component 2.2: Institutional and Regulatory Models</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: Actual implementation is expected to start upon completion of component 2.1. It is expected to last for 4 months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-component 2.3: PPP Concession Agreement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: This component will reflect the outcome of legal and preparatory studies. It is expected to start in 2015.</td>
<td></td>
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</tbody>
</table>

Component 3: Institutional Support and Capacity Building

<table>
<thead>
<tr>
<th>Previous Rating: NA</th>
<th>Current Rating: NA (delayed)</th>
<th>Cost (US$)*: 1,030,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-component 3.1: Operational Systems</td>
<td></td>
<td></td>
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<tr>
<td>Status of Implementation: not yet started</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-component 3.2: Capacity Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: not yet started</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-component 3.3: Marketing and Promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: not yet started</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-component 3.4: Project Management Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Status of Implementation: not yet started</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Component 4: Consultative Meetings, Workshops, Dissemination

<table>
<thead>
<tr>
<th>Previous Rating: NA</th>
<th>Current Rating: Satisfactory</th>
<th>Cost (US$)*: 250,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of Implementation: IDB PTF held the first consultative meeting with MoIT in Sana’a on 22 October 2013. Several meetings and workshops are planned in 1st half of November including the Ministerial Committee meeting, Technical Committee meeting, procurement workshop and other coordination sessions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

R. Disbursements of Funds for Direct Project Activities
<table>
<thead>
<tr>
<th>Approved Amount for Direct Project Activities (a):</th>
<th>Country-Execution (US$) (x)</th>
<th>Direct Cost for ISA-Execution (US$) (y)</th>
<th>Total (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,950,000</td>
<td>N/A</td>
<td>2,950,000</td>
</tr>
<tr>
<td>Amount Received from Trustee (b):</td>
<td>2,950,000</td>
<td>N/A</td>
<td>2,950,000</td>
</tr>
<tr>
<td>Actual Amount Disbursed (c):</td>
<td>59,000</td>
<td>N/A</td>
<td>59,000</td>
</tr>
</tbody>
</table>

S. Disbursement Forecast of Funds for Direct Project Activities by Calendar Year (US$)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-June</th>
<th>Jul-Dec</th>
<th>Total by Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>56,300</td>
<td>2,700</td>
<td>59,000</td>
</tr>
<tr>
<td>2015</td>
<td>486,000</td>
<td>485,000</td>
<td>971,000</td>
</tr>
<tr>
<td>2016</td>
<td>520,000</td>
<td>350,000</td>
<td>870,000</td>
</tr>
<tr>
<td>2017</td>
<td>430,000</td>
<td>350,000</td>
<td>780,000</td>
</tr>
</tbody>
</table>

**/**: Component level costs and Semi-annual Forecasts does not include contingency budget which is estimated in total at USD 270,000 (about 9% of the total direct costs of 2,950,000. The numbers therefore adds to $2,680,000 only). The contingency budget may be utilized across various components based on need. The portion of workshops, dissemination budget is added to disbursement for every 6 months as well in line with projected consultancy costs.

T. Disbursements of Funds for Indirect Costs (US$)

<table>
<thead>
<tr>
<th>Disbursed</th>
<th>Available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>71,000</td>
<td>218,000</td>
<td>289,000</td>
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</tbody>
</table>
### Results Framework and Monitoring

**Project Development Objective (PDO):**

The following are the high-level Project objectives:

i. Delivery of comprehensive & implementable PPP-based package for Al-Hodeida-SIZ to the GoY
ii. Establishment of a legal entity ‘SIZ Administration Agency’
iii. Delivery of integrated Institutional Support and Capacity Building package to the ‘SIZ Administration Agency’
iv. Strengthening Technical Capacity of GoY & private sector in SIZ Development, Administration & Promotion

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator One:</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>Yes</td>
<td>Yes</td>
<td>Yearly</td>
<td>Project Reports</td>
<td>MoPIC / IsDB-PTF</td>
<td>Parliamentary approval of the PPP concession, regulatory &amp; institutional package of ‘SIZ Administration Agency’</td>
</tr>
<tr>
<td>Indicator Two:</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>Yes</td>
<td>Yes</td>
<td>Yearly</td>
<td>MoIT Reports</td>
<td>MoIT/ IsDB-PTF</td>
<td>Establishment of SIZ-SPV and concession awarded</td>
</tr>
<tr>
<td>Indicator Three:</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>Yes</td>
<td>Yearly</td>
<td>MoIT Reports</td>
<td>GIA/MoIT</td>
<td>Operationalization of the ‘SIZ Administration Agency’</td>
<td></td>
</tr>
</tbody>
</table>
**Indicator Four:**
Degree of Satisfaction on Technical Capacity Acquired per Agency at Sub-Component Levels

<table>
<thead>
<tr>
<th>Feedback Ratings</th>
<th>No</th>
<th>n/a</th>
<th>At Least Good</th>
<th>At Least Good</th>
<th>At Least Good</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoPIC / IsDB-PTF</th>
</tr>
</thead>
</table>

**INTERMEDIATE RESULTS**

**Intermediate Result (Component One):**

**Intermediate Result Indicator 1.1:**
Completion of Economic, Policy and Market Assessment

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports</th>
<th>MoIT/IsDB-PTF</th>
</tr>
</thead>
</table>

**Intermediate Result Indicator 1.2:**
Completion of Site Evaluation, Master Planning, Costing, Social / Environmental Assessment

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports</th>
<th>MoIT/IsDB-PTF</th>
</tr>
</thead>
</table>

**Intermediate Result Indicator 1.3:**
Completion of Economic and Financial Analysis / Structuring

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports</th>
<th>MoIT/IsDB-PTF</th>
</tr>
</thead>
</table>

**Intermediate Result Indicator 1.4:**

<table>
<thead>
<tr>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports</th>
<th>MoIT/IsDB-PTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize Development Strategy and Implementation Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Intermediate Result Indicator 1.5 Endorsement of package by the GoY Ministerial Committee</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>One time</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Two):**

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 2.1: Completion of Legal Assessment</th>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>No</th>
<th>Yes</th>
<th>n/a</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports MoIT/IsDB-PTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Result Indicator 2.2: Completion of institutional &amp; regulatory model of a legal entity 'SIZ Administration Agency'</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>One time</td>
<td>Project Reports MoIT/IsDB-PTF</td>
</tr>
<tr>
<td>Intermediate Result Indicator 2.3: Development of SIZ-PPP concession framework</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>n/a</td>
<td>n/a</td>
<td>One time</td>
<td>Project Reports MoIT/IsDB-PTF</td>
</tr>
</tbody>
</table>

**Intermediate Result (Component Three):**

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 3.1: Establishment of 'Project</th>
<th>Binary</th>
<th>No</th>
<th>No</th>
<th>n/a</th>
<th>Yes</th>
<th>n/a</th>
<th>One time</th>
<th>Project Reports Administration Agency / IsDB-PTF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination Function' under Agency</td>
<td>Intermediate Result Indicator 3.2: Agency to conclude legal agreements amongst various stakeholders to deliver one-stop services</td>
<td>Number</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>3</td>
<td>4</td>
<td>Yearly</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>----</td>
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<td>-----</td>
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<td>-------</td>
</tr>
<tr>
<td>Intermediate Result Indicator 3.3: Agency to complete Organizational and Operational Manuals</td>
<td>Binary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>Yes</td>
<td>One time</td>
<td>Project Reports</td>
</tr>
<tr>
<td>Intermediate Result Indicator 3.4: Launching Al-Hodeida-SIZ marketing campaign</td>
<td>Feedback</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>One time</td>
<td>Questionnaire</td>
<td>GIA /IsDB-PTF</td>
</tr>
<tr>
<td>Intermediate Result Indicator 3.5: Deliver capacity building to Agency staff: Number of staff benefited from courses, workshops, exchange programs, etc</td>
<td>Number</td>
<td>No</td>
<td>No</td>
<td>n/a</td>
<td>n/a</td>
<td>20</td>
<td>25</td>
<td>One time</td>
</tr>
</tbody>
</table>
### Intermediate Result (Component Four):

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 4.1: Participatory Consultative Meetings and Workshops</th>
<th>Number (cumulative)</th>
<th>No</th>
<th>4</th>
<th>6</th>
<th>12</th>
<th>16</th>
<th>20</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoIT/IsDB-PTF</th>
<th>Parliamentary representatives will be invited to join consultative workshops</th>
</tr>
</thead>
</table>
| | | | | | | | | | | | **Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’**

<table>
<thead>
<tr>
<th>Intermediate Result Indicator 4.2: Number of international participants from donor agencies and countries</th>
<th>Number</th>
<th>No</th>
<th>0</th>
<th>6</th>
<th>6</th>
<th>6</th>
<th>n/a</th>
<th>Yearly</th>
<th>Project Reports</th>
<th>MoPIC/MoIT/IsDB-PTF</th>
<th></th>
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</thead>
<tbody>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Indicate ‘A’ for ‘Actual’ and ‘F’ for ‘Forecast’</strong></td>
</tr>
</tbody>
</table>