PROJECT PAPER

FOR A

SMALL RETF GRANT

FROM THE MENA TRANSITION FUND

IN THE AMOUNT OF US$ 1.75 MILLION EQUIVALENT

TO THE

KINGDOM OF MOROCCO

FOR THE

ACCESSING OVERSEAS EMPLOYMENT OPPORTUNITIES FOR MOROCCAN YOUTH PROJECT

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Country Director: Simon Gray
Sector Director: Enis Baris
Sector Manager: Yasser El-Gammal
Task Team Leader: Manjula Luthria

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ABBREVIATION AND ACRONYMS

ANAPEC  Agence Nationale de Promotion de l’Emploi et des Compétences
ANETI  Agence Nationale pour l’Emploi et le Travail Indépendent
BA  Bundesagentur für Arbeit
BLA  Bilateral Labor Agreement
CPS  Country Partnership Strategy
CV  Curriculum Vitae
DEC  Development Economics Research Department of the World Bank
DEPP  Direction des Entreprises Publiques et de la Privatization
EU  European Union
FM  Financial Management
FMR  Financial Monitoring Report
FMS  Financial Management System
GCC  Gulf Cooperation Council
GIZ  Deutsche Gesellschaft für Internationale Zusammenarbeit
IAB  Institut für Arbeitsmarkt- und Berufsforschung
IBRD  International Bank for Reconstruction and Development
ICR  Implementation Completion Report
IDA  International Development Association
IFMIS  Integrated Financial Management Information System
ISA  International Standards on Auditing
IUF R  Interim Unaudited Financial Report
M&E  Monitoring and Evaluation
MAGG  Ministry of Governance and General Affairs
MENA  Middle East and North Africa
MESA  Ministry of Employment and Social Affairs
MOF  Ministry of Finance
MRE  Ministère Chargé des Marocains Résidant à l’Etranger et des Affaires de la Migration
OECD  Organisation for Economic Cooperation and Development
OFPTT  Office de la Formation Professionnelle et de la Promotion du Travail
PAD  Project Appraisal Document
PDO  Project Development Objective
PEFA  Public Expenditure and Financial Accountability
PFS  Project Financial Management Statement
PMT  Project Management Team
PNEI  Pacte National pour l’Emergence Industrielle
SBD  Standard Bidding Document
SOE  Statement of Expenses
STEM  Science, technology, engineering, and mathematics
TGR  Trésorerie Générale du Royaume
TSC  Technical Steering Committee
UAE  United Arab Emirates
UN  United Nations
USD  United States Dollars
WB  World Bank
KINGDOM OF MOROCCO
ACCESSING OVERSEAS EMPLOYMENT OPPORTUNITIES FOR MOROCCAN YOUTH

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**Kingdom of Morocco**

**Accessing Overseas Employment Opportunities for Moroccan Youth**

**Small RETF Grant Project Paper**

**Middle East and North Africa Region**

**Human Development Department**

## Basic Information

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<td>Country Director:</td>
<td>Neil Simon M. Gray</td>
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**Sectors:** Other Social Services (100%)

**Themes:** Improving Labor Markets (80%); Other trade and integration (20%)

**EA Category:** C

**Borrower:** Kingdom of Morocco

**Responsible Agency:** Agence Nationale de Promotion de l’Emploi et des Compétences (ANAPEC)

**Contact:** Mr. Kamal Hafid

**Telephone No.:** +212 (0) 522 789 502

**Email:** h.kamal@anapec.org

**Project Implementation Period:**

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For Loans/Credits/Others

| Total Project Cost: | 1.75 |
| Total Co-financing: | 0.00 |
| Total Bank Financing: | 1.75 |
| Financing Gap: | 0.00 |

**Financing Source**

| RECIPIENT (Kingdom of Morocco contribution) | 0.00 |
| IBRD | 0.00 |
| IDA: | 0.00 |
| Others (MENA Transition Fund) | 1.75 |
| Financing Gap | 0.00 |
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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.

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## Team Composition

### Bank Staff

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<tr>
<td>Manjula Luthria</td>
<td>Senior Economist</td>
<td>Social Protection</td>
<td>MNSSP</td>
<td>86676</td>
</tr>
<tr>
<td>Yann Pouget</td>
<td>Consultant</td>
<td>Social Protection</td>
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<td>362705</td>
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<tr>
<td>Pamela Dale</td>
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<td>Amy Champion</td>
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<tr>
<td>Laila Moudden</td>
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<td>Kamel Bezzine</td>
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<td>Maged Mahmoud Hamed</td>
<td>Regional Safeguards Adviser</td>
<td>Safeguards</td>
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<tr>
<td>Jean-Charles De Daruvar</td>
<td>Senior Counsel</td>
<td>Legal</td>
<td>LEGAM</td>
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### Locations

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I. INTRODUCTION AND CONTEXT

A. Country Context

1. In the wake of the Arab Spring, the 2011 Constitutional reform, and high social demands for inclusive growth and expanded opportunities, youth unemployment is a defining economic, social and political issue in Morocco. Strong macroeconomic policies have delivered average growth of nearly five percent and declines in absolute and relative poverty between 2001-2011. Growth has declined recently, however, due to the Eurozone crisis, and efforts to counteract the social impacts of the economic slowdown and price hikes have drawn the government’s attention away from planned and necessary economic reforms. Tackling unemployment – particularly female and youth unemployment – remains a considerable challenge. There has been a marked improvement in social indicators over the past decade, including improvements in health and educational outcomes, but many youth still enter the job market insufficiently prepared to obtain gainful employment. A 2008 investment climate survey found that 35 percent of firms identify the difficulty of hiring appropriately skilled workers as a constraint. A report on employability attributed the mismatch in skills and the labor force in part to limited communication between educational institutions and the private sector, and poor labor intermediation services. Youth at all skill levels are impacted by a lack of economic opportunities; unemployment rates are highest among university-educated youth, though most unemployed have less than a pre-secondary education. Youth are also disproportionately represented in the informal sector, and are thus poorly covered by social protection and at higher risk for hazardous or adverse working conditions.

2. The government is focused on delivering higher economic performance through a series of reforms to increase competitiveness and economic integration (particularly with the European Union, or EU), improve the business environment and labor market, increase support for professional and vocational training, insert new graduates the labor market, and promote entrepreneurship and self-employment. The Pacte National pour l’Emergence Industrielle (PNEI, or National Emerging Industries Agreement) 2009-2015 focuses on private sector development and competitiveness, including through vocational training policies that link training outcomes to economic needs. Efforts to address unemployment include training focused on recruitment needs and a system of employment subsidies. A new vocational training strategy, currently under preparation, seeks to forge better links between public and private partners on identifying training needs and providing market-relevant training. The multi-tier 2012-2016 employment promotion strategy aims, among other priorities, to improve the governance of labor market and intermediation systems.
Promotion de l’Emploi et des Compétences (ANAPEC, or National Agency for the Promotion of Employment and Skills), administratively located under the Ministry of Employment and Social Affairs (MESA), is charged with identifying and matching job seekers to employment opportunities, both in Morocco and abroad. Although ANAPEC has initiated a new sectoral strategy for employment creation, additional efforts are needed to operationalize the strategy.

B. Sector and Institutional Context

3. Morocco has one of the lowest labor force participation rates among emerging economies. Though Morocco’s unemployment rate fell from 13 percent in 2000 to nine percent in 2012, the youth unemployment rate rose during this same time period. Unemployment rates for higher education and vocational training graduates are also higher than average, with particularly high rates in fields such as construction, engineering, fisheries, and tourism. The school-to-job transition in Morocco remains a problem, and first-time job-seekers and the long-term unemployed represent 52 percent and 65 percent, respectively, of the 2012 unemployed population. Morocco’s expected labor market growth is insufficient to meet labor demand. Annual labor market growth is expected to be approximately 1.8 percent through 2020; however, an expansion of at least six percent per year is necessary to absorb new labor market entrants. Morocco’s ongoing labor market reforms, while important, are unlikely to lead to a substantial improvement in domestic labor market opportunities in the short-run. In recognition of the limitations of a purely domestic approach to employment growth, Morocco intends to enhance international labor mobility of its young workforce.

4. At nearly nine percent, Morocco’s emigration rate is nearly four times the global average, and it has among the highest skilled-migration rates in the world. The EU25+ countries (in particular, Spain, France, Belgium, Italy, and the Netherlands) are the main destinations for Moroccan workers. However, the stock of Moroccan workers in the total stock of Organisation for Economic Cooperation and Development (OECD) migrants is low, pointing to substantial room for growth in this migration channel. Whereas the EU25+ countries are expected to lose an estimated 66 million workers, a one-third decline in the total workforce, between 2005 and 2050, Morocco’s working age population is expected to increase through 2035. European labor shortages will occur at all skill levels, with strong demand in particular in the health and service sectors.

5. The demographics and geographic proximity of Morocco and Europe point to an opportunity for mutually-beneficial labor partnerships, but these movements require effective facilitation. In the 1960s and 1970s, Moroccan labor migration occurred through direct recruitment by foreign employers, informal intermediaries, spontaneous settlement, and migrant networks. Many of these movements occurred informally, with migrants entering European territories on student or tourist visas, or through family reunification channels, and then finding employment upon arrival. However, with the implementation of stricter border policies in Europe in particular, most
migrants must now have a job in place before migrating. The role of sending countries in managing overseas employment intermediation has grown, and a range of services and regulations now facilitate the placement of workers abroad.

6. To respond to the changing environment for international placement, Morocco established ANAPEC International in 2001. ANAPEC International has the following roles: (i) creating an intermediation channel for low- to mid-skilled jobs abroad; (ii) providing a centralized agency for developing employment opportunities on overseas markets; (iii) marketing Moroccan workers abroad; (iv) managing the implementation of labor agreements with international partners; and (v) offering a single contact point for foreign intermediation agencies and employers. Together with its partners, ANAPEC International has placed a significant number of low-skill workers overseas since 2006, with a peak of 11,550 in 2008. Placements have diminished in more recent years, dropping to 6,807 in 2011, as receiving markets grapple with economic crisis – these figures do not take into account seasonal migrations to France. Most of the agency’s resources go to assisting the management of circular migration to Spain, and it has had minimal activity in other markets, with the exception of its recent and occasional involvement in placements in Canada, Qatar and the United Arab Emirates (UAE). This is mainly due to: (i) an insufficient prospecting and marketing approach in receiving countries; (ii) poor collaboration with the private sector in domestic and overseas markets; (iii) an inadequate presence in receiving countries; and (iv) too limited a mandate, budget and staff for effective placement.

7. ANAPEC International’s intermediation activities have occurred largely through bilateral labor agreements (BLAs) and direct contact with public employment agencies in relevant destination countries. Beyond BLAs, ANAPEC International has become the default point of contact for the recruitment of Moroccan workers abroad, though its relations with overseas employers remain limited. The agency manages a large database of low-skilled candidates in Morocco, mainly with BAC+2 (post-secondary) years of education. The database is not dedicated to the international market, and focuses primarily on domestic placements. Many candidates in the database are fresh entrants into the market with no work experience, and employers have expressed concerns that the system does not adequately screen their curriculum vitae (CVs). The system is not comparable to the databases of the private recruiting agencies, which are rigorously updated and meticulously curated to meet employers’ needs.

8. ANAPEC’s international placement strategy aims at market diversification beyond the traditional markets for low- to mid-skilled Moroccan workers (France and Spain). In North America, Canada is currently piloting temporary recruitment schemes for low- to mid-skilled technical professions with ANAPEC through its Embassy in Rabat. In the Gulf Cooperation Council (GCC), Qatar and the UAE are also piloting recruitment operations in several sectors, mainly mid-skilled service jobs. In Europe, the only receptive market for now is Germany given its unique combination of very low fertility rates and declining workforce, strong and resilient economic performance throughout the Euro crisis and recent opening of the labor immigration system to non-EU workers. In all these new destination markets, ANAPEC insists on building recruitment
channels through formal institutional partnerships with relevant public agencies to ensure sustainability and safe recruitment conditions for Moroccan migrant workers. Such partnerships are already underway in Canada and the GCC, but no institutional arrangement exists with Germany. Establishing such a partnership with relevant German agencies is considered as a priority for ANAPEC to fulfill its market diversification strategy.

9. Recruitment from developing countries to Germany requires the involvement of specific employment and development agencies. The Bundesagentur für Arbeit (BA, or Federal Employment Agency) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ, or German Society for International Cooperation) established a unique partnership in 2012, through a cooperation agreement which provides the principles for the safe recruitment and integration of migrant workers into Germany by recognizing the importance of: (i) ensuring the sustainability of labor intermediation systems beyond filling immediate labor needs in Germany; (ii) language acquisition and migrants’ integration in the host society as essential components of a “Triple Win” immigration concept; and (iii) considering the interests of the country of origin when it comes to leveraging the potential of their qualified labor. It calls for “a considerate and balanced approach” in recruiting these workers. This is the only partnership of this kind between the main public employment and development agencies in Germany. Through this partnership, the two agencies have established international good practices in various countries such as Tunisia, Bosnia and Herzegovina, Vietnam and the Philippines, working with employers and employees from diverse sectors and educational backgrounds such as health/nurses or science, technology, engineering, and mathematics (STEM).

C. Higher Level Objectives to which the Project Contributes

Alignment with the Objectives of the Middle East and North Africa (MENA) Transition Fund

10. The proposed project is closely aligned with the objectives of the MENA Transition Fund, particularly in the areas of (i) Inclusive Development and Job Creation and (ii) Competitiveness and Integration. The transition process in the MENA region was driven in large part by calls for social inclusion and access to better opportunities by the large youth cohorts in Morocco and other transition countries. In Morocco, major reforms are underway to bring excluded youth into the labor market. Following on the recommendations of the Deauville Partnership report on trade and foreign direct investment, improved labor market integration and mobility partnerships can provide better economic opportunities for Moroccan youth while simultaneously expanding their skills sets and leveraging investment for development through remittances.

11. The proposed project pilots a reform that is potentially transformational for Morocco’s labor market and Moroccan workers. The project will design and test a revised international labor intermediation model in one country (Germany) and sector
(Tourism-Hospitality). A thorough quantitative and qualitative evaluation of the pilot, including a process evaluation, will determine which design features are central to the model’s success. Capacity building and partnership development undertaken as part of the project will enable ANAPEC to substantially scale up its labor intermediation efforts, with the aim of gaining a foothold for Moroccan workers to pursue job opportunities in other OECD markets and employment sectors. The pilot will support the transition of ANAPEC itself to a demand-driven, proactive agency that effectively responds to the needs of both job seekers and employers, at home and abroad. The pilot builds on the lessons learned from successful (and unsuccessful) labor mobility schemes in Morocco and neighboring countries. The substantial learning component of the project will ensure that lessons from the pilot will likewise be shared, through South-South learning fora, with other MENA transition countries, including Tunisia, with which Germany through GIZ has successfully piloted a labor mobility scheme for young unemployed engineers.

Alignment with the Country Partnership Strategy (CPS)

12. The proposed project is closely aligned with the strategy proposed in the draft FY2014-2017 CPS, which is set to be discussed by the Board on 29 April 2014. In particular, the project would support the proposed results areas of Promoting Competitive and Inclusive Growth and Strengthening Governance and Institutions for Improved Service Delivery to All Citizens, as well as the cross-cutting theme of youth. The draft CPS includes a strong focus on global integration, including liberalization of trade in services, to which this project is also expected to contribute.

II. PROJECT DEVELOPMENT OBJECTIVES

A. Proposed Development Objective(s)

13. The proposed project development objective (PDO) 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.

B. Key Results

14. At the PDO level, the project is expected to strengthen institutional capacity and to foster competitiveness and international labor market integration as indicated by:

a. Indicator 1: Morocco, through ANAPEC, has established stronger pre-selection procedures and pre-departure training modules for candidates seeking overseas employment

b. Indicator 2: 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
c. Indicator 3: Percentage of German employers willing to hire again from Morocco
d. Indicator 4: A regional model of good practice is developed and shared through World Bank and other networks

III. PROJECT DESCRIPTION

A. Project Components

15. The project has three components: (1) Institutional capacity building for the selection and preparation of overseas employment candidates; (2) Developing sustainable partnerships between public and private actors within and across borders for job placement beyond the pilot; and (3) Knowledge sharing and dissemination. The first two components will be implemented by ANAPEC in partnership with GIZ – ANAPEC’s information and capacity building needs related to placement on the German market will be addressed by the GIZ team in the framework of this partnership. At the request of MESA and ANAPEC, Component 3 will be implemented by the World Bank in order to (i) maintain independence in the evaluation process, and (ii) leverage learning from other countries in MENA and elsewhere.

Component 1: Institutional capacity building for the selection and preparation of overseas employment candidates (US$ 1.3 million)

16. This component finances migration experts, consultant and firm services, travel and workshops to support institutional capacity building activities for the pre-selection and preparation of up to 150 overseas candidates for a professional apprenticeship in the Tourism-Hospitality sector in Germany. The activities described hereafter will be implemented through a partnership between ANAPEC and GIZ. Hosting companies will be identified in coordination with relevant employers’ associations and through the partnership with GIZ. Throughout the pre-selection and pre-departure training phase, this component will allow for regular consultations with employers in Germany through GIZ, in view of preparing and implementing the placement activities as well as the design and implementation of training and integration modules for the candidates.

Sub-Component 1.1: Pre-selection of candidates (US$ 0.4 million)

17. This sub-component will finance consultant services and workshops to provide technical assistance and capacity building to ANAPEC to strengthen the design of pre-selection procedures for Moroccan candidates seeking overseas employment opportunities. Given the demand conditions and openness of the German
market\(^1\), apprenticeship opportunities in the German Tourism and Hospitality sector will be sought as a concrete test case to address the capacity gaps identified in the World Bank report on Intermediation for Overseas Employment in Morocco\(^2\). Close cooperation with partner agencies and employers’ representatives in the destination country can strengthen pre-selection procedures on both sides, help align institutional systems for recruitment and deepen mutual understanding of the German market and Moroccan competences. Therefore the pre-selection procedures and criteria should be designed in close cooperation between MESA, ANAPEC, employers’ associations and partner agencies at destination, starting with GIZ, and possibly other relevant European partner agencies. Even though pre-selection procedures and criteria will be defined by the stakeholders during the project, these should take into account the following principles in accordance with the objectives of the Transition Fund: i) youth employment creation: target beneficiaries are young adults (upper age limit to be defined according to Morocco’s youth employment objectives) and job seekers in Morocco (according to the criteria currently used by ANAPEC); ii) transparency: in the description of criteria for the audience of potential candidates; iii) equity: both between territories and genders; iv) demand-driven: the definition of selection criteria should take into account the results of initial consultations with relevant employers’ representatives; and v) international integration: taking into account the experience and expertise of international placement divisions of the Moroccan, German and potentially other European partner employment agencies. A manual of pre-selection procedures will be established on the basis of this pilot experience in the Hospitality sector and will be used as a guide for potential placement operations for Moroccan workers in other sectors of the German economy in the future.

18. **This sub-component will also finance consultant services, workshops and travels to provide technical assistance and capacity building to ANAPEC in the implementation phase of the pre-selection process.** A relevant communication strategy for the targeted Moroccan audience will be designed in close coordination between ANAPEC, MESA, GIZ and the World Bank in order to avoid the risks related to the Moroccan employment context. ANAPEC will then be in charge of the communication, with support from GIZ, through the identified channels and strategy adopted. After receiving the applications, the shortlisting and screening of pre-selected candidates’ CVs should involve destination country stakeholders to support ANAPEC in preparing a pool of candidates with the adequate qualities to perform at the interview stage and later on at the workplace. This sub-component will also involve support and technical assistance for ANAPEC to organize pre-selection interviews in Morocco in close coordination with destination country players and other partner employment agencies at the European level. ANAPEC interviewers would be matched with German interviewers (and possibly other interested international recruiters) to assess the qualities and personal motivations of

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candidates. Employers’ representatives will be invited to participate and possibly conduct preliminary interviews with the shortlisted candidates. As ANAPEC cannot be a stakeholder in the final pre-selection decision, this decision will rest with the German partners.

Sub-Component 1.2: Pre-departure training (US$ 0.6 million)

19. This 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. Up to 150 candidates will leave Morocco for an apprenticeship in Germany at the end of this pre-departure training period. An intensive and thorough preparation of candidates in their country of origin is a decisive factor for the success of labor migration programs. In addition to language and intercultural training, expectations have to be properly managed in order to prevent intercultural shocks, personal disappointments and frustration. A careful preparation process allows for quick integration into the new professional and personal environment, avoids mismatches and consequently creates benefits for migrants and employers. Upgrading Morocco’s capacities to deliver tailored training for overseas job candidates is critical to build a positive reputation for Moroccan workers on international labor markets in the longer term.

20. This sub-component will therefore 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 in close coordination with destination country stakeholders and possibly involving diaspora members and/or return migrants. In line with the PDO, the whole worker preparation period including full-time intensive language and intercultural training and expectation management will take place in Morocco for a maximum of six months during which the pre-selected candidates will receive a scholarship to cover their training, housing and daily expenses. Enrolled candidates will be evaluated on a continuous basis to ensure adequate linguistic progress and anticipate issues that could emerge in case of insufficient progress of certain candidates with respect to the requirements for placement. The final selection of candidates by the participating employers will take place during the language training, with support from GIZ teams in Morocco and Germany. Selected candidates will sign an apprenticeship contract before departure. Upon completion of the selection and worker preparation phase, employers will fund the entire vocational training program at the workplace and will be asked to provide the participants with accommodation in addition to the salary paid to trainees according to destination country labor norms and regulations.

Sub-component 1.3: Assistance upon departure and integration support (US$ 0.3 million)

21. 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. GIZ will be in charge of facilitating visa processes and relations with the German embassy in Morocco. The Ministère Chargé des Marocains Résidant à l’Étranger et des Affaires de la Migration (MRE, or Ministry in Charge of the Moroccans Residing Abroad) will be involved to mobilize its networks in Germany, including diaspora members and associations, to design and implement a mentoring scheme at destination in partnership with relevant public and private German stakeholders and in coordination with ANAPEC. Both the participants and the hosting companies will receive tailored support through orientation seminars and “integration mentors”, to ensure that neither companies nor participants are left alone with potential frustrations or difficulties, which might hamper the successful completion of the apprenticeship program. This sub-component will also finance assistance to candidates in administrative, legal and logistical issues emerging throughout the migration cycle.

Component 2: Developing sustainable partnerships between public and private actors within and across borders for job placement beyond the pilot (US$ 0.2 million)

22. This component will finance consultant services and travels to provide technical assistance for building sustainable partnerships between ANAPEC and relevant public and private partners in Germany to facilitate overseas job placement throughout and beyond the pilot and potentially in other employment sectors that could recruit Moroccan candidates. This component will build on a formal institutional partnership to be established between ANAPEC and GIZ to ensure safe recruitment practices, development-friendliness and sustainability of the recruitment scheme over time. This component will finance the following activities to be implemented through this partnership between the relevant agencies of both countries: (i) prepare ANAPEC and MESA decision makers to acquire a detailed understanding of the legal framework and administrative schemes in place in Germany for the admission of foreign workers at different skill levels; (ii) formalize a full-fledged placement strategy on the German market for ANAPEC and MESA on the basis of recent and detailed information on growth prospects and labor needs in the key sectors of the German economy and the legal and administrative schemes that apply; and (iii) organize targeted consultations with employers’ federations and if possible other relevant private and public players in Germany identified on the basis of the sectoral analysis conducted in (ii), in order to build the networks needed to place Moroccan workers in the longer term and beyond the pilot Hospitality sector.

Component 3: Knowledge Sharing and Dissemination (US$ 0.2 million)

23. This component finances consultant services, workshops and surveys to support MESA and ANAPEC in drawing and sharing the lessons learned from the design and implementation of the pilot. This component will include South-South learning, monitoring and evaluation, as well as communication and dissemination activities. A mix of qualitative and quantitative monitoring and evaluation methods will
be used to assess project implementation, to gauge the quality of cooperation between partners, to evaluate the results of the pre-departure and vocational training and the success of the trainees, to survey the perceptions and level of satisfaction of the employers involved and to measure the efficiency and distribution of costs. This will involve setting up survey instruments and a relevant framework to measure results, gathering data on employees and employers over time to create a rich dataset which allows for analyzing the schemes’ impact against their initial objectives. A communication strategy and materials will be developed and used to disseminate the lessons learned from this pilot in view to building a model of good practice that can be scaled up and replicated in Morocco and in MENA or with other destination countries.

B. Project Financing

Financing Instrument and Project Cost

24. Financing instrument. The proposed financing instrument is investment project financing, financed through trust fund financing. The project will be submitted by the Ministry of Finance (MOF) to the MENA Transition Fund. The proposed project is closely aligned with the objectives of the MENA Transition Fund, particularly in the areas of: (i) Inclusive Development and Job Creation; and (ii) Competitiveness and Integration.

25. Project Cost. The total project budget is estimated to be US$1.75 million over a four-year period.

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Transition Fund (USD)</th>
<th>Country Co-Financing (USD)</th>
<th>Other Co-Financing (USD)</th>
<th>Total (USD)</th>
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<td><strong>0.00</strong></td>
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</table>

C. Lessons Learned and Reflected in the Project Design

26. Since 2012, the International Labor Mobility program of the World Bank in MENA has provided technical assistance to the Government of Morocco in the area of international labor intermediation. The recent policy diagnostics in Morocco and
direct experience of World Bank teams in upgrading behind-the-border systems \(^3\) for labor migration in different labor origin countries points towards a range of institutions and capacities that need to be developed in order to take better advantage of the existing prospects for international labor mobility in terms of employment and human development. Such institutions are most often missing or embryonic in labor origin countries. The evidence collected through analysis of the Moroccan labor intermediation system \(^4\) reveals important capacity gaps that public and private stakeholders involved in international labor intermediation have to address jointly in order to expand labor market access for Moroccan workers abroad. Significant employment and training opportunities exist for the Moroccans willing to have an experience abroad, but to help them access such limited opportunities on international markets, Morocco needs to step up its recent efforts to develop public and private intermediation services for international labor intermediation, create the capacities needed to build sustainable relationships with employers in receiving countries, and adjust its marketing and training strategies according to international standards.

27. **International experience demonstrates the importance of building behind-the-border capacities for international labor intermediation in labor origin countries through concrete pilot programs.** Similar pilots have recently been designed and implemented in the region, between Tunisia and Germany in the engineering (implemented by GIZ in cooperation with BA) and health (implemented by private intermediaries) sectors. Early assessments of these schemes in coordination with the World Bank show the importance of strengthening origin-country capacities for rigorous worker selection and preparation, balanced communication strategies and careful expectation management on both sides (targeted at job candidates and employers), and close coordination between public and private stakeholders at the origin and destination, with a particular attention to consultation with employers early on to adjust design and implementation features. In particular, the GIZ scheme for Tunisian engineers has quickly translated into an international good practice (the only one at this higher skill level) thanks to careful worker selection and preparation in partnership with the German and Tunisian employment agencies, BA and the *Agence Nationale pour l’Emploi et le Travail Indépendent* (ANETI, or the National Agency for Employment and Independent Work) respectively, regular consultations with employers throughout the placement phase, and strong integration support towards candidates upon arrival.

28. **The proposed project has been designed to incorporate the following lessons learned from past projects:**
   a. **Strong public capacity is needed for a rigorous screening, pre-selection and preparation of job candidates in close coordination with destination country players.** This can be challenging given the training gaps encountered in most

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\(^{4}\) Ibid.
cases and the asymmetries of information between the different stakeholders across borders. The project design focuses precisely on building institutional capacities for thorough screening and preparation of job candidates in Morocco according to international standards. In order to ensure adequate worker preparation, it is also essential to deliver tailored information, counseling and support services both towards job candidates and employers at all stages of the recruitment process. The project dedicates special resources to ensure coordinated efforts between the origin and destination countries’ agencies involved in the selection and worker preparation phase.

b. **Consultations and partnerships need to be established to involve employers and other non-state actors throughout the recruitment process.** An important challenge in bilateral pilot projects is to set up regular collaboration spaces with private stakeholders for in-depth and operational discussions aiming at a progressive improvement in the functioning of the program. In particular, involving employers’ representatives on a regular basis allows for better identifying their needs, prospecting job offers and organizing recruitment in effective ways. In the proposed pilot, an entire component focuses on building such collaboration mechanisms between public employment agencies on both sides and employers. The involvement of the MRE will allow for reaching out to diaspora members at destination.

c. **Tailored intercultural training, expectation management and integration support increases the potential for successful employment matching and integration.** Candidates’ and employers’ expectations need to be carefully managed in order to reduce the risks of intercultural shocks, personal disappointments and mismatches that can jeopardize the success of the entire program and the reputation of Moroccan workers in the longer term. The project design addresses this concern by dedicating specific resources to develop an expectation management module involving destination country stakeholders and diaspora members, as well as mobilizing a network of integration mentors at destination to ensure smooth integration in the host companies and society.

d. **Continuous monitoring and evaluation of the implementation outcomes is critical** to help fine-tune the project components as they develop so they can meet the development goals and commercial objectives of their stakeholders, starting with migrant workers and their employers. The project dedicates specific resources to run field surveys to gather data on employees and employers over time and assess the effectiveness of project activities and partnerships.

IV. **IMPLEMENTATION**

A. **Institutional and Implementation Arrangements**

29. **ANAPEC will be the direct grant beneficiary and project implementing agency** through a project management team (PMT) composed of its Division of International Cooperation, Division of Budget and Accounting and International Employment Division. Given the project rationale and concern for timely
implementation, the Ministry of Finance has confirmed the option of ANAPEC signing a single grant agreement with the World Bank as the preferred option. The legal status of ANAPEC allows it to be the signatory and beneficiary of the grant as a financially independent public agency. ANAPEC through its Division of International Cooperation and Division of Budget and Accounting will be in charge of the technical and financial execution of the project. Immediately after signing the agreement, ANAPEC will open a designated account at the Trésorerie Générale du Royaume (TGR, or Kingdom’s General Treasury) to finance the envisaged activities according the agreed timeline and procurement plan. The Division of Social Sectors of the Direction of Budget at MOF will supervise ANAPEC’s budgeting processes for this project to ensure timely disbursement. The Direction of Employment at MESA will oversee the implementation of the project through its usual procedures for labor intermediation measures implemented by ANAPEC. The International Employment Division of ANAPEC will nominate a focal point to administer the project in close coordination and with support from a Technical Steering Committee (TSC) composed of the Direction of Employment at MESA, the Direction of Budget (Social Sectors Division) at MOF, the Ministry of Governance and General Affairs (MAGG), MRE, and the World Bank project team.

30. Implementation and coordination responsibilities: The International Employment Division of ANAPEC will implement project activities in partnership with GIZ and with oversight provided by the TSC. The TSC will provide guidance and monitor progress through routine meetings and monitoring reports at every key project step (worker selection, pre-departure training, integration upon arrival, beginning of the apprenticeship at destination).

31. Project Stakeholder Assessment: The main government stakeholders are: MESA, MRE, MOF, MAGG, and the International Placement Division of ANAPEC. MESA and ANAPEC will be jointly responsible for all labor intermediation measures before departure. The MRE will mobilize its networks and resources to facilitate integration once job candidates arrive at destination. The MOF, through its Direction of Budget, will supervise ANAPEC budgeting processes to ensure timely disbursement and implementation. The Ministry of Education and Vocational Training and the Office de la Formation Professionelle et de la Promotion du Travail (OFPTT, or Office for Vocational Training and Employment Promotion) could also be involved in the discussions and activities related to worker training and preparation in Morocco.

32. Role of civil society and non-governmental stakeholders: The main civil society stakeholders include the young candidates seeking overseas employment, foreign employers and their representatives in the select sector and destination country, and diaspora members and support organizations at destination. Job candidates and their potential employers will be regularly consulted throughout the course of the project to ensure that their interests are taken into account and that their expectations align with the project development objectives. Training institutes in Morocco could be associated to the implementation of pre-departure training modules. Diaspora networks will be mobilized before and after departure to facilitate the integration of migrant workers in their host society and at the workplace.
33. **Implementation Support by the World Bank:** World Bank involvement in the proposed project will provide value-added through: (i) technical input and dissemination of international experience with international labor mobility; and (ii) project monitoring and evaluation (M&E). The World Bank has recently completed a diagnostic of Morocco’s existing international labor intermediation model, and the resultant lessons have been taken on board by the government to influence the design of the proposed pilot project. Monitoring and evaluation will be implemented by the project team, in cooperation with World Bank Development Economics Research Department (DEC) or other relevant M&E experts, to capture additional lessons from the project. These lessons, together with other evaluations of international labor intermediation (including a comprehensive diagnostic in Tunisia and comparative reviews of labor intermediation models in North America and Pacific countries), will be disseminated widely through South-South learning exchanges, facilitated by the World Bank.

B. **Results Monitoring and Evaluation**

34. The monitoring and evaluation of the program and its expected results will be supervised by the World Bank in order to ensure independence and to share the lessons within and beyond Morocco in view of building a model of good practice at the regional (MENA and the EU) and international levels. M&E indicators will be shared with and reviewed by the Technical Steering Committee in line with the results framework of this project as displayed in Annex 1. While the World Bank will mobilize the expertise of DEC or other M&E experts to design survey instruments, employees and employers surveys will be implemented in close coordination with ANAPEC and its European partner agencies, including GIZ.

35. A mid-term review will be carried out after two years to assess project implementation, draw lessons from the project and provide an opportunity to adopt any corrective action that may be required to ensure that the project meets its development objectives. An Implementation Completion Report (ICR) will be prepared at the end of the project.

C. **Sustainability**

36. The project is directly supporting the enhancement or reform of employment promotion measures identified by the government. As part of the 2012-2016 Action Plan on employment promotion, MESA aims to reinforce and develop the effectiveness of ANAPEC's labor intermediation functions with the vision of increasing the share of job seekers who find employment using ANAPEC's system of labor intermediation. To achieve this objective, the Action Plan envisions the development of new partnerships...
between ANAPEC and relevant private actors. The project will provide the opportunity to initiate such partnerships and to upgrade ANAPEC’s system of international labor intermediation in the longer term.

37. On the demand side, Germany was selected as the destination country because it is currently the most receptive to economic immigration in the EU due to the scope of labor shortages and growing demographic gaps. In the coming years, these shortages are expected to become more severe as birth rates remain low and as the population of retirees increases. According to forecasts released by the Institut für Arbeitsmarkt- und Berufsforschung (IAB, or Institute for Employment Research) of the BA in 2010, the labor force will decrease by 15 percent, generating a general labor shortage of 6.5 million by 2025 if the country’s demographic pressures are left unaddressed. In particular, there are three sectors for which there is a need to test out policy settings and capacities: engineering, hospitality and health care. Employers in these sectors are conveying interest in recruiting and training non-EU workers to help address their shortages, but still need support from a public intermediary to “make the market” and test out the commercial viability of new recruitment processes with third countries, especially for small and medium-sized enterprises.

38. Beyond the German market as a test case, the entire European Union will experience major labor shortages in the coming years due to pervasive demographic decline. This pilot labor mobility project will be developed in the broader Euromed context, in complementarity with the European Mobility Partnership between Morocco and the European Union. In the Mobility Partnership framework, the European Commission will support capacity building activities in the area of international labor intermediation to strengthen partnerships between the Moroccan Government, ANAPEC and relevant public and private stakeholders across EU destination countries for more effective job prospection and placement operations. The project provides a unique opportunity for concrete testing and development of such capacities on the ground. The lessons learned will provide the information base to help prepare Morocco for a labor mobility model that could work at a larger scale and possibly in other sectors and with several European countries in the mid- to long-term.

V. KEY RISKS AND MITIGATION MEASURES

RISK RATING SUMMARY

39. Risk Rating. The task team proposes that the overall risk rating be considered as moderate for both preparation and implementation. Though some risks, such as design and institutional capacity, are high or substantial, they are also highly manageable with adequate supervision and support.

### Overall Risk Explanation

40. There are moderate risks to the success of the overall project, stemming from the nature of the work being proposed and the importance of consensus and coordination of multiple government agencies in different countries. The governments of both Morocco and Germany have explicitly recognized the need for strong, consistent policies and programs to facilitate labor mobility. However, labor mobility remains an inherently political issue, and as such is exposed to risks stemming from changes in government or political priorities over the course of the project. The success of both the pilot project and the wider labor mobility reform it is testing will be contingent upon cooperation among government, private sector counterparts, and non-governmental partners in both countries. Relationship-building and communications from project design onwards are thus essential to risk reduction and overall success of the reform.

41. The overall project rating is also influenced by the substantial implementing agency risks, and significant mitigation measures will be required for the procurement aspects in particular. Though a thorough procurement capacity assessment of ANAPEC has not yet been completed, its inexperience with World Bank-funded operations and procedures and the nature of procurement activities suggest a substantial risk. Initial procurement risk mitigation procedures are laid out in Annex 2; further mitigation activities may be suggested following the completion of a procurement capacity assessment.

### VI. APPRAISAL SUMMARY

#### A. Economic and Financial Analyses

42. The project is expected to have positive economic and social impacts on participants in the pilot and the society at large, though reliable economic or fiscal estimates are difficult to predict. The project will help to build effective structures, processes, and relationships to facilitate the labor mobility of Moroccan workers. During the project, economic benefits are expected to accrue largely to the job seekers selected to participate in the pilot. A successful pilot will nudge reforms, build Ministerial capacity,
build bridges between relevant agencies in Morocco and destination countries, and change perceptions of Moroccan workers. Full economic impact will be achieved only after the completion of the pilot and the launch of effective, full-fledged international labor intermediation partnerships with both Germany and other destination countries. This will contribute to a reduction in unemployment, improvements in youth employability and opportunities, and substantial income growth for successful job seekers. Positive spillovers are expected to result from improvements in the quality of training in the tourism and hospitality sector, and from the social benefits of young workers’ increased confidence in the government’s ability to provide ‘good jobs’.

43. **Given the design features of the project and the challenge of conducting an in-depth economic analysis with the available information, the task team proposes a limited economic analysis** measuring differences in expected salaries of participants in the pilot program with or without the intervention. Though this analysis will not provide information on the longer-term impacts of improved capacity building for international labor intermediation, it will provide a minimum assessment of the direct and immediate economic impact of the pilot on direct beneficiaries during the pilot stage.

### B. Technical

44. **The project is technically sound and supports the government’s strategies and priorities.** Capacity building of ANAPEC and piloting of an international labor intermediation partnership will directly contribute to youth employment creation, an economic development priority of the government. The rationale for the project is supported by work carried out under an ongoing Moroccan Employment Technical Assistance project and assessments performed under the aegis of the Deauville Partnership. The project design is informed by lessons extracted from analytical work on labor mobility conducted by the World Bank’s international labor mobility team, together with the Government of Morocco, as well as analysis and projects in neighboring countries.

45. **The capacity building and partnership components of the project will ensure that ANAPEC has both the tools and the relationships needed to bring a labor intermediation program to scale and create new partnerships in other countries and sectors.** ANAPEC International is an appropriate institutional partner; since its founding in 2001, it has implemented labor mobility programs with a wider range of partner countries. It has put in place effective institutional frameworks and staffing arrangements, but has identified a need for institutional capacity development to effectively design and implement international labor intermediation programs. The project is designed as a pilot with a strong monitoring and evaluation component, and lessons learned will be captured and fed back into program design.
C. Financial Management

46. The financial management (FM) system of ANAPEC, and specifically the Division of Budget and Accounting, was appraised to determine if it complies with the requirements of the Bank in respect to OP/BP10. The financial management assessment of these entities covered the areas of accounting and financial management, as well as the reporting and auditing processes of the project. The financial management system, including necessary arrangements to respond to the needs of the financial monitoring of the project, satisfies the minimum requirements of the Bank.

47. The assessment concluded that ANAPEC, strengthened by the suggested arrangements for project management in Annex 2, will have sufficient capacity to manage project financial matters and administer grant funds. The main responsibilities will include project budgeting, treasury, general accounting and reporting. The FM inherent risk for the country, the entity, and the project is considered Moderate.

48. Disbursement will be handled through the project management team at ANAPEC following established procedures. Interim unaudited financial reports (IUFRs), which will cover all the activities and sources of funds of the project, will be prepared biannually by the PMT. The project team within ANAPEC will ensure that the IUFRs for the project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

49. ANAPEC shall have its Financial Statements for the project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

50. Financial flow of funds will come from the grant funds of the World Bank. Flow of funds between the World Bank and the ANAPEC will be organized according to the disbursement procedures of the Bank.

D. Procurement

51. Procurement under the Project is mostly for (a) the selection of a consultant (GIZ) as a technical partner for assistance and support to ANAPEC for implementation of Components 1 and 2 of the project, and (b) selection of a consultant for support in project management (procurement and financial management) for Components 1 and 2. The consultant services for technical assistance to be provided by GIZ include, inter alia, the development of pre-selection criteria and detailed selection procedures, the design of a manual of selection for placement on the German market, the design and implementation of a relevant communication strategy in Morocco, the pre-selection of CVs and shortlisting of candidates, the screening of
candidates through interviews, the design and implementation of a full-time intensive language and intercultural training module, the design and implementation of a mentoring scheme at destination, the assistance to ANAPEC and MESA on the legal framework and administrative schemes in place in Germany for the admission of foreign workers, the placement strategy on the German market for ANAPEC and MESA, and targeted consultations with employers’ federations and other relevant players in Germany. Though not expected at this time, some limited procurement of goods and services, such as equipment for project management, training and workshops, is possible.

52. **The Program will be managed by ANAPEC, with the support of MESA.** The day-to-day responsibility for program management will lie with ANAPEC, which has no experience with World Bank-funded operations, but does have experience with donors such as the EU. ANAPEC will hire technical assistance (FM and procurement) to support the implementation of Components 1 and 2. Because GIZ has experience of exceptional worth for the project, it is proposed to be selected on a single source basis to provide technical assistance and support to ANAPEC to implement the activities in Components 1 and 2. There is already an existing partnership agreement between GIZ and BA, which is the only partnership of its kind between the main public employment and development agencies in Germany. This offers the guarantees of sustainability of labor intermediation systems beyond filling immediate labor needs in Germany; language acquisition and migrants’ integration in the host society; and protection of the interests of the country of origin with regards to leveraging the potential of their qualified labor.

53. **The Procurement service (“Service des achats”) of ANAPEC will be in charge of planning and carrying out procurement activities, in cooperation with the other concerned units and departments.** A thorough capacity assessment of ANAPEC will be conducted in April 2014. However, considering the lack of experience of ANAPEC in World Bank-funded operations, the nature of procurement activities (mostly consultant services), and the fact that ANAPEC’s staff does not have practical experience of Bank procedures, the risk related to procurement is assumed to be substantial.

54. Following the detailed assessment planned for April 2014, adequate mitigation measures related to the main weaknesses identified will be proposed, in addition to following already recommended in annex 2, which include: (i) recruitment of an external consultant to help carry out procurement and build capacities within ANAPEC and MESA; (ii) training in procurement for all staff involved in the project implementation (e.g., ANAPEC, MESA), before project effectiveness; (iii) adoption of a Project Implementation Manual which clearly describes procurement procedures, responsibility sharing and document flow among the parties involved in project implementation and comprises an annex and all standard bidding documents to be used in the project. This action need to be completed before the effectiveness of the project; and (iv) preparation of the procurement plan for the first eighteen (18) month before negotiations.
E. Social (including Safeguards)

55. The project is expected to have positive social impacts by contributing to improvements in international placement services, and thereby increasing ANAPEC’s capacity to connect job seekers with opportunities. Though initial numbers of workers moved through the pilot will be small, the project’s strong capacity-building emphasis will equip ANAPEC to provide international labor intermediation services in other sectors and with other countries.

F. Environment (including Safeguards)

56. The project is expected to have minimal or no adverse impacts on the environment and hence is considered as a category “C” project as per World Bank Operational Policy 4.01 Environmental Assessment. The project will be mostly financing technical assistance, analytical work and institutional capacity building and no direct or indirect physical investment is envisaged.
ANNEX 1: RESULTS FRAMEWORK

MOROCCO: Accessing Overseas Employment Opportunities for Moroccan Youth

Stage: Appraisal

<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>
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<td>2015 2016 2017 2018</td>
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PDO LEVEL RESULTS INDICATORS:

The proposed PDO 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.

Indicator 1:
Morocco, through ANAPEC, has established stronger pre-selection procedures and pre-departure training modules for candidates seeking overseas employment

Qualitative
None
Yes
Yes
Yes
Once, updated as necessary
Implementation Completion Report
ANAPEC and MESA
Lessons from the pilot inform the design of pre-departure and pre-selection guidelines that are in line with international good practice.

Indicator 2:
A sustainable public-

Qualitative
None
No
No
No
Yes
Annually
Implementation Completion Report
ANAPEC
ANAPEC maintains lists of relevant partners

27
<table>
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<th>Indicators by Component</th>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
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<td>representatives is</td>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
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<td>established and</td>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
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<tr>
<td>functioning in practice</td>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
</tr>
<tr>
<td>to scale up and replicate the pilot</td>
<td></td>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
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<tr>
<td>Indicator 3:</td>
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<td></td>
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<td>in Germany and contact them frequently to update selection requirements, discuss success of apprentices, etc.</td>
</tr>
<tr>
<td>Percentage of German</td>
<td>Percent</td>
<td>None</td>
<td>TBD through survey</td>
<td>Twice</td>
<td>Employer surveys</td>
<td>World Bank</td>
<td>Increase in percentage of employers who would be willing to hire a Moroccan worker</td>
</tr>
<tr>
<td>employers willing to</td>
<td></td>
<td></td>
<td>N/A</td>
<td>TDB after initial survey</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hire again from Morocco</td>
<td></td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td>Increase in percentage of employers who would be willing to hire a Moroccan worker</td>
</tr>
<tr>
<td>Indicator 4:</td>
<td>Qualitative</td>
<td>None</td>
<td>No</td>
<td>Yes</td>
<td>Implementation Completion Report, citations of program as a good practice, replication</td>
<td>ANAPEC and World Bank</td>
<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>A regional model of good</td>
<td></td>
<td></td>
<td>No</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>practice is developed</td>
<td></td>
<td></td>
<td>No</td>
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<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>and shared through</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
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<td></td>
<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>World Bank and other</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
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<td></td>
<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>networks</td>
<td></td>
<td></td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td>Pilot is endorsed by World Bank peer reviewers as a good practice and used as a model for other labor intermediation programs, in Morocco and abroad</td>
</tr>
<tr>
<td>Indicators by Component</td>
<td>Unit</td>
<td>Baseline</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td>Frequency</td>
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<tr>
<td>INTERMEDIATE OUTCOMES:</td>
<td></td>
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<tr>
<td>COMPONENT I. INSTITUTIONAL CAPACITY BUILDING FOR THE SELECTION AND PREPARATION OF OVERSEAS EMPLOYMENT CANDIDATES</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Pre-selection manual which incorporates feedback from project stakeholders is developed and aligned with the established selection principles and international good practice</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
</tr>
<tr>
<td>Candidate pre-selection completed in line with good practice and led jointly by private and public sector stakeholders from destination countries</td>
<td>Percentage</td>
<td>None</td>
<td>90</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Once</td>
</tr>
<tr>
<td>Pre-selection interviews held in Morocco, led by ANAPEC and destination country interviewers</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
</tr>
<tr>
<td>Indicators by Component</td>
<td>Component Description</td>
<td>Unit</td>
<td>Baseline</td>
<td>Cumulative Target Values</td>
<td>Frequency</td>
<td>Data Source/Methodology</td>
<td>Responsibility for Data Collection</td>
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</tr>
<tr>
<td>Pre-departure and orientation training, including language and intercultural training, tailored to the industry and specificities of work and daily life at the destination, designed and implemented</td>
<td>Quality</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Module on expectation management, incorporating input from destination country stakeholders and return migrants or diaspora, designed by ANAPEC and its partner agencies</td>
<td>Quality</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Apprenticeship participants and firms reporting participation in integration activities</td>
<td>Percent</td>
<td>None</td>
<td>No</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Indicators by Component</td>
<td>Baseline</td>
<td>Cumulative Target Values</td>
<td>Frequency</td>
<td>Data Source/Methodology</td>
<td>Responsibility for Data Collection</td>
<td>Description (indicator definition etc.)</td>
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<td></td>
<td></td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of participants who report being adequately equipped for their apprenticeship</td>
<td>Percent</td>
<td>None</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>Twice</td>
<td>Participant survey report</td>
</tr>
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<tr>
<td>COMPONENT 2. DEVELOPING SUSTAINABLE PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE ACTORS WITHIN AND ACROSS BORDERS FOR JOB PLACEMENT BEYOND THE PILOT</td>
<td></td>
<td></td>
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<tr>
<td>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>No</td>
<td>No</td>
<td>Yes</td>
<td>Strategy document</td>
</tr>
<tr>
<td>Indicators by Component</td>
<td>Unit</td>
<td>Baseline</td>
<td>Frequency</td>
<td>Data Source/Methodology</td>
<td>Responsibility for Data Collection</td>
<td>Description (indicator definition etc.)</td>
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<tr>
<td>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>
</tr>
<tr>
<td>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>
</tr>
<tr>
<td>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>
</tr>
<tr>
<td><strong>Component 3. Knowledge Sharing and Dissemination</strong></td>
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<tr>
<td>Indicators by Component</td>
<td>Unit</td>
<td>Baseline</td>
<td>Cumulative Target Values</td>
<td>Frequency</td>
<td>Data Source/Methodology</td>
<td>Responsibility for Data Collection</td>
<td>Description (indicator definition etc.)</td>
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<td></td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Communication strategy</td>
<td>Qualitative</td>
<td>None</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Once</td>
</tr>
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</table>


ANNEX 2: DETAILED PROJECT BUDGET AND IMPLEMENTATION ARRANGEMENTS

MOROCCO: Accessing Overseas Employment Opportunities for Moroccan Youth
Stage: Appraisal

I. Detailed Project Budget

<table>
<thead>
<tr>
<th>COMPONENTS AND ACTIVITIES</th>
<th>TRANSITION FUND BUDGET (USD)</th>
<th>TYPES OF EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPONENT 1. INSTITUTIONAL CAPACITY BUILDING FOR THE SELECTION AND PREPARATION OF OVERSEAS EMPLOYMENT CANDIDATES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Component 1.1. Pre-selection of candidates</strong></td>
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<tr>
<td>Identification of trustworthy employers in Germany and development of pre-selection criteria and detailed procedures after initial consultations with employers’ representatives and other relevant destination country stakeholders. Design of a manual of selection for placement on the German market based on this joint pilot experience with German stakeholders.</td>
<td>150,000</td>
<td>This sub-component would finance consultant services, workshops and travels to provide technical assistance and capacity building to ANAPEC to strengthen the design of pre-selection procedures for Moroccan candidates seeking overseas employment opportunities. This would entail technical assistance and capacity building to ANAPEC in the implementation phase of the pre-selection process.</td>
</tr>
<tr>
<td>Design and implementation of a relevant communication strategy towards the potential audience in Morocco</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Technical assistance for CV pre-selection and candidates shortlisting based on German and international standards</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Candidates screening through interviews in Morocco involving private partners and participation of German employers and other relevant stakeholders</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Component 1.2. Pre-departure training</strong></td>
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</tr>
<tr>
<td>Design and implementation of a full-time intensive 6 months language and intercultural training module tailored to the specificities of the sector as well as workplace and life abroad</td>
<td>450,000</td>
<td>This component would finance consultant and firm services, training modules and seminars to support ANAPEC in preparing the pre-selected candidates for their stay and employment abroad. It will also include financial support to participants during their full-time training.</td>
</tr>
<tr>
<td>Grants to support participant with their leaving expenses during pre-departure training (full-time)</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Design and implementation of a module on expectation management led by relevant German stakeholders and possibly diaspora members</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Component 1.3. Assistance upon departure and integration support</strong></td>
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</tbody>
</table>
Travel expenses, visa costs and procedures, work permits processing, and departure-related expenses for participants | 100,000 |
| This subcomponent would finance visa fees, travels 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.

Orientation seminars in Germany with employers and candidates, and involving diaspora networks and other relevant local players at destination | 100,000 |

Design and implementation of a mentoring scheme at destination with integration mentors in Germany and other relevant public, private and civil society stakeholders | 70,000 |

Assistance in administrative, legal and logistical issues emerging throughout the migration cycle | 30,000 |

Sub-Total Component 1 | 1,300,000 |

**COMPONENT 2. DEVELOPING SUSTAINABLE PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE ACTORS WITHIN AND ACROSS BORDERS FOR JOB PLACEMENT**

Technical assistance to ANAPEC and MESA on the legal framework and administrative schemes in place in Germany for the admission of foreign workers at different skill levels | 30,000 |
| This component would finance consultant services and travels to provide technical assistance for building sustainable partnerships between ANAPEC and relevant public and private partners in Germany to facilitate overseas job placement throughout and beyond the pilot and potentially in other employment sectors that could recruit Moroccan candidates.

Placement strategy on the German market for ANAPEC and MESA on the basis of information on growth prospects and labor needs in the key sectors of the German economy | 70,000 |

Targeted consultations with employers’ federations and other relevant players in Germany in order to build the networks needed to place Moroccan workers beyond the pilot | 100,000 |

Sub-Total Component 2 | 200,000 |

**COMPONENT 3. KNOWLEDGE SHARING AND DISSEMINATION**

South-South learning workshop with destination country partners | 50,000 |
| This component would finance consultant services, workshops and surveys to support the Ministry of Employment and Social Affairs and ANAPEC in drawing and sharing the lessons learned from the design and implementation of the pilot. Activities would include South-South learning, monitoring and evaluation, as well as

Firm and candidates survey before and after departure | 100,000 |

Communication material and strategy | 50,000 |
communication and dissemination activities.

<table>
<thead>
<tr>
<th>Sub-Total Component 3</th>
<th>200,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPERVISION</td>
<td>50,000</td>
</tr>
<tr>
<td>TOTAL (USD)</td>
<td>1,750,000</td>
</tr>
</tbody>
</table>

II. Implementation Arrangements

A. General Framework

1. The project will be submitted for financing to the MENA Transition Fund through a split-execution grant agreement for US$1.75 million. The project has three components: (1) Institutional capacity building for the selection and preparation of overseas employment candidates; (2) Developing sustainable partnerships between public and private actors within and across borders for job placement beyond the pilot; and (3) Knowledge sharing and dissemination. The project is recipient-executed for Components 1 and 2, with a total amount of US$1.55 million, and Bank-executed for Component 3, for a total amount of US$0.2 million.

B. Procurement

General

2. Procurement for the proposed project will be carried out in accordance with (i) the provisions of the World Bank’s “Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, known as the ‘Anti-Corruption Guidelines’ dated on October 15, 2006 and revised in January, 2011; (ii) the ‘Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,’ (known as Consultant Guidelines) dated January 2011; and (iii) all the accompanying standard bidding documents for procurement and the provisions stipulated in the Grant Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the grant, the different procurement methods or consultant selection methods, the estimated costs, prior review requirements, and agreed time frame will be set out in the Procurement Plan. The procurement procedures and Standard Bidding Documents (SBD) that will be used by the recipient will also be well defined in the Project Implementation Manual, which will include specific and detailed sections regarding Procurement.

3. Procurement under the Project is mostly for (a) the selection of a consultant (GIZ) as technical partner for assistance and support to ANAPEC for implementation of Component 1 and 2 of the project; and (b) selection of consultant for support in project management (procurement and FM). The consultant services for technical assistance to be provided by GIZ include, *inter alia*, the development of pre-selection criteria and
detailed selection procedures, the design of a manual of selection for placement on the German market, the design and implementation of a relevant communication strategy in Morocco, the pre-selection of CVs and shortlisting of candidates, the screening of candidates through interviews, the design and implementation of a full-time intensive language and intercultural training module, the design and implementation of a mentoring scheme at destination, the assistance to ANAPEC and MESA on the legal framework and administrative schemes in place in Germany for the admission of foreign workers, the placement strategy on the German market for ANAPEC and MESA, and targeted consultations with employers’ federations and other relevant players in Germany.

4. **Procurement Plan:** A Project Procurement Plan in a format acceptable to the World Bank will be prepared and updated at least once a year. The procurement plan for the first eighteen (18) month period will be agreed during the negotiations. The procurement plan shall indicate which contracts shall be subject to the Bank’s prior review. All other contracts shall be subject to post review.

**Procurement Arrangements**

5. No Works contracts are contemplated under the project.

6. **Selection of Consultants:** The primary consultant service under this contract are proposed to consist of (a) the single source procurement contract to GIZ for the services described in point II.B.3. of this section, and (b) selection of consultants for FM and procurement technical support. The following Bank methods and corresponding standard documents may be used:

   a) Quality & Cost Based Selection (QCBS) for all types of consultant services.

   b) Least-cost Selection. Services for assignments which meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured using the Least-cost Selection method in accordance with the provision of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

   c) Selection Based on Consultant’s Qualifications (CQS). Services estimated to cost less than US$100,000 equivalent per contract may be procured in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

   d) Single Source Selection. Under circumstances which meet the requirements of paragraph 3.8 of the Consultant Guidelines for Single Source Selection, consultant services may be procured in accordance with the provisions of paragraph 3.8 through 3.11 of the Consultant Guidelines, with the Bank’s prior agreement.

   e) Individual Consultants (IC). Services for assignments that meet the requirements set forth in the paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provision of
paragraph 5.2 and 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.6 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

7. Shortlists may be composed entirely of national consultants for contracts of less than US$ 200,000 equivalent per contract, complying with the remarks mentioned above.

Publication of Results and Debriefing

8. Online (United Nations (UN) Development Business, and /or Client Connection) publication of contract awards would be required for all Direct Contracting, and the Selection of Consultants for contracts exceeding a value of US$200,000. All consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received) before the opening of the financial proposals. The borrower would be required to offer debriefings to unsuccessful bidders and consultants should the individual firms request such a debriefing.

Fraud, Coercion, and Corruption

9. All procuring entities, as well as bidders, suppliers, and contractors, shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 & 1.17 of the Procurement Guidelines and paragraphs 1.23 & 1.24 of the Consultants Guidelines.

Frequency of Procurement Supervision

10. Supervision of Procurement by the World Bank is an integral part of Project supervision and implementation monitoring. In addition to the prior review supervision to be carried out from World Bank offices, it is recommended that two (2) supervision missions take place during a year to visit the project and to carry out post review of procurement actions.

11. Based on the risk associated with procurement (so far considered substantial), as mitigation measures, the following actions will be implemented:
   a. Recruitment of an external consultant to help carry out procurement and build capacities within ANAPEC and the MESA;
   b. Training in procurement for all staff involved in the project implementation (e.g., ANAPEC, MESA), before project effectiveness;
   c. Adoption of a Project Implementation Manual. This manual will clearly describe procurement procedures, responsibility sharing and document flow among the parties involved in Project implementation. The manual will comprise in annex all standard bidding documents to be used in the project. This action need to be completed before the effectiveness of the project;
d. Preparation of the procurement plan for the first eighteen (18) month before negotiations

C. Financial Management and Disbursements

12. **Public Financial Management.** The World Bank’s experience in Morocco and the main conclusions of the 2009 public expenditure and financial accountability (PEFA) assessment indicate that the Moroccan public finance system is governed by an elaborate legal and regulatory framework. The financial management risk of the Moroccan public finance system is considered low.

13. **Assessment of the Financial Management System (FMS).** An assessment of the FMS in place at ANAPEC was carried out to determine if it complies with the World Bank minimum requirements for the project management in respect to the OP/BP10. The FMS in place in the executing agency is based on principles and procedures defined by the legal framework applicable to the public sector and more specifically to governmental institutions.

14. **Risk Analysis.** The inherent and control risks are presented in the tables on the succeeding pages.
**Risk Analysis: Inherent risk**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Rating</th>
<th>Mitigation of risk</th>
<th>Risk rating after mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country level:</strong> The Moroccan public finance system is governed by a complex legal and regulatory framework that offers guarantees of high reliability and transparency. Morocco’s compliance with rules and regulations and existing accountability arrangements provide an adequate framework for the use of public funds and public financial management (PFM) is considered broadly transparent.</td>
<td>Low</td>
<td>Capacity building of FM staff of the project. Close mentoring by the World Bank FM team. The FM team within ANAPEC has a financial background, but need more exposure on project management. Hiring of a knowledgeable consultant will permit implementation in a structured manner and build capacity within the existing team.</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Project level:</strong> ANAPEC does not have experience with World Bank-financed projects; however, it has experience with participating and managing projects in this field with different international organizations, such as the EU, and also has some experience with national organizations. Its annual activity report displays all its project involvement.</td>
<td>Substantial</td>
<td></td>
<td>Moderate</td>
</tr>
</tbody>
</table>

**Inherent risk before mitigation** | **Inherent risk after mitigation** | **Moderate** |

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## Risk Analysis: Control Risks

<table>
<thead>
<tr>
<th>Risks</th>
<th>Rating</th>
<th>Mitigation of risk</th>
<th>Rating after mitigation of risk</th>
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</thead>
<tbody>
<tr>
<td><strong>Budget:</strong> The preparation of the budget is compliant with the ANAPEC agency objectives and procedures for the considered exercise. This is not limited to taking into account updated multi-year planning, the submission by the different departments of their budget to fulfill their units' needs. The Director of ANAPEC is responsible for submission of the consolidated budget of all departments to the Board before June 30 of each year. The board submits the budget to the MESA and to the MOF Directorate of Budget for approval. Examination of budgeting proposals within the MOF is made within the sectoral structures of the Directorate of Budget of the MOF (Sectoral Structures and synthesis - Division of Social Sectors).</td>
<td>Low</td>
<td></td>
<td>Low</td>
</tr>
</tbody>
</table>
**Accounting:** The accounting system is based on accounting regulations applicable to public institutions (Royal Decree no. n° 330-66, April 21, 1967) BO. n° 2840, April 26, 1967, p. 452); relating to the maintenance of public accounting in accordance with General Code of accounting Standards.

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>An acceptable cash-based accounting system with the outline of budget components is operational according to the regulations described in the public accounting law. The transactions in terms of commitments and disbursements are reflected in the well-functioning Integrated Financial Management Information System (IFMIS), SAGE1000 for the general accounting related to the financial statements and VICTIS for budgetary execution, commitments and payments. This system will allow tracking commitments and expenditures.</td>
</tr>
</tbody>
</table>

**Financial Reporting:** The ANAPEC uses SAGE 1000 for the general accounting related to the financial statements and VICTIS information system for budgetary execution, commitments and payments. This system will allow for tracking commitments and expenditures. The accounting system of the executing agency will not allow producing Financial Monitoring Reports for the project from the system.

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>The FM consultant will prepare the financial report in Excel, compare the information to SAGE, and submit it to the head of the division of finance and accounting for review, validation and approval. The Financial report will then be submitted to the TSC for approval and submission to the Bank within the deadlines.</td>
</tr>
</tbody>
</table>

**Funds Flow:** Financial flows come from the World Bank. The flow of funds from the World Bank is organized according to the Bank's disbursement procedures.

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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<tbody>
<tr>
<td>Low</td>
<td>Unspecified</td>
</tr>
</tbody>
</table>
**Internal control:** There is a manual of procedures for accounting and financial organization. In addition, there is an internal audit department which ensures the application of the existing procedures.

The existing accounting and financial reporting system allows for the extraction of the financial reporting.

| Auditing: The risk is having delays in the submission of the audit report of the project to the Bank. | Moderate | The Bank teams will ensure that the audit work is started timely to deliver the required report within the deadlines. | Low |

| Inherent risk before mitigation | Moderate | Inherent risk after mitigation | Moderate |

| Internal control: | Moderate | The internal control procedures will be included in the implementation manual. The FM specialist will extract the information on the project from SAGE, will document the additions of information needed to complete the required reporting and will explain the detail of validation process up until submission of the financial reporting to the World Bank. | Low |
15. **FM risk.** Based on the assessment and the risks identified, the FM risk at this stage is considered Moderate.

16. **Implementing Agency.** A PMT will be established within ANAPEC. The FM team will be composed by the Chief of Division of budget and Accounting, who will be supported by an external consultant in FM. The Division of budget and accounting has experience in managing projects financed by international donors. The implementation manual should include a discussion of how much of the Division’s time will be allocated to this project.

17. **Procedures and policies.** ANAPEC (Division des Finances et de la Comptabilité/Direction des Ressources) has a budgetary and accounting manual which is well elaborated.

18. **Budgeting.** The Grant will be allocated to and managed by ANAPEC. The preparation of the budget is aligned with the agency objectives for each exercise. Each department submits its budgeting needs to the ANAPEC Director who consolidates it to ANAPEC budget and submits it to the Board, which reviews it and submits it to the MOF for approval before June 30th of each year. The Board approves the budget once it is approved by the Ministry of Finance. In this case, the ANAPEC will prepare an annex to the budget to be approved by the Director of ANAPEC and presented to the Board for approval. Once the agreement is signed, the ANAPEC will request authorization from the Direction des Entreprises Publiques et de la Privatization (DEPP, or the Direction of Public Enterprises and Privatization)/MOF for a Designated Account at the TGR.

19. **The ANAPEC has adopted budgetary accounting to monitor the budget and expenditures.** They use the Integrated Expenditures Management System VICTIS, which has been adopted by several other state-owned enterprises in the country.

20. **Staffing.** The PMT will be housed at ANAPEC and will work in close coordination with the Direction of Employment at MESA and the Direction of Budget at the Ministry of Finance. The World Bank project team will provide training and capacity building to ensure mastery of project management. The Social Sectors Division of the Direction of Budget at MOF will supervise the budgeting processes of ANAPEC for this project to ensure adequate capacity support and timely disbursement. The PMT will include the respective Directors in charge of implementation, a Procurement consultant, and a FM consultant who will have defined Terms of references that cover relationships/responsibilities with each Directorate. The recruitment of a FM consultant is important to strengthen the PMT and to provide support to the project. The PMT will have to control and supervise the work of the consultant to ensure ownership of the project by ANAPEC.

21. **Accounting.** An acceptable cash-based accounting system with the outline of budget components is operational according to the regulations described in the public accounting law. The transactions in terms of commitments and disbursements are reflected in the well-functioning Integrated Financial Management Information System
(IFMIS), SAGE1000 for the general accounting related to the financial statements and VICTIS for budgetary execution, commitments and payments. This system will allow tracking commitments and expenditures.

22. **The overall principles for project accounting are as follows:** (a) records of accounts for the project will be maintained on cash basis principles, financial reports will be maintained to reflect all the transaction flow of funds, and the IUFR will be issued each semester; and (b) project accounting will cover all sources and utilization of project funds, including payments made and expenditures incurred. All project-related transactions will be prepared in an excel spreadsheet, which will be validated and approved by the PMT director before transmission to the Bank within the deadlines.

23. **Financial Management Reporting of the Project.** IUFRs will be maintained in an Excel spreadsheet. The FM consultant will compare the information prepared with the information extracted from the ANAPEC accounting system, SAGE. The Chief of division of Finance and accounting will review, approve and submit to the PMT Director for approval and submission to the Bank. The PMT will produce the IUFRs every semester and submit them to the World Bank within 45 days of the end of each semester.

24. **Financial Monitoring Reports (FMRs) will be prepared every semester** and sent to the bank within 45 days of the close of each reporting period. The World Bank guidelines on financial monitoring will be communicated to the project. A sample of FMR to use for the project will be agreed upon and will be annexed to the implementation manual of the project.

25. **In addition to a summary of project progress, the FMRs and IUFR include the following:** (i) a summary of funding sources and uses of funds; (ii) uses of funds by project component and by project category; (iii) cash withdrawal; and (iv) cash forecast.

26. **Annually, audited Project Financial Statements (PFS) will be submitted to the Bank.** The PFSs will include: (i) a statement of sources and utilization of funds or balance sheet, indicating funds received from various sources, project expenditures, and assets and liabilities of the project; (ii) schedules classifying project expenditures by components and expenditure categories; and (iii) a statement of reimbursement made on the basis of statements of expenditure (SOEs).

27. **Controls.** In Morocco, the rules governing fund commitments and payment authorizations are clear, well known, and enforced. The control framework is based on the segregation of duties between commitment (ordonnateur) and payment (comptable).

28. **Internal audit.** ANAPEC has an internal audit and management control division composed of three services: internal audit, management control, and legal. The Division directly reports to the Director General of the ANAPEC and ensures: (i) the achievement of general and thematic audits missions, inspection and evaluation; (ii) support to the Director General and all ANAPEC entities in all legal aspects; and (iii) the implementation, monitoring and consolidation of programs, monitoring dashboards and
analytical accounting. The Division has a well-elaborated manual of procedures.

29. **External Audit Arrangements.** Annual project financial statements audited by auditors acceptable to the Bank will be submitted to the Bank within six months after the end of each Fiscal Year. The audit will be comprehensive and cover all aspects of the project (i.e., all sources and utilization of funds, and expenditures incurred). The audit will be carried out in accordance with International Standards on Auditing. The Project team will provide the auditor with access to project-related documents and records as well as information required for the purposes of the audit. The implementing agency will retain an auditor acceptable to the bank to perform an annual audit in accordance with International Standards on Auditing (ISA), as issued by the International Federation of Accountants and with terms of reference acceptable to the Bank.

30. **Funds flow.** ANAPEC will prepare an annex to the budget to be approved by the Director of ANAPEC and presented to the Board for approval. Once the grant agreement is signed, the ANAPEC will request authorization from DEPP/MOF for a Designated Account at the TGR. The funds will be transferred to ANAPEC according to World Bank disbursement guidelines and according to the method agreed through the disbursement letter. The Social Sectors Division of the Direction of Budget at MOF will supervise the budgeting processes of ANAPEC for this project to ensure adequate capacity support and timely disbursement. The payment justifications supporting documents will be electronically submitted by ANAPEC to the World Bank.

31. **Disbursements.** The proceeds of the grant will be disbursed in accordance with the traditional disbursement procedures of the Bank; i.e., Direct Payment and Reimbursement accompanied by appropriate supporting documentation (Summary Sheets with records and/or SOEs) in accordance with the procedures described in the Disbursement Letter and the Bank's “Disbursement Guidelines”. The minimum application size for direct payment and reimbursement will be determined during negotiations.

32. The Bank will honor eligible expenditures for services rendered and goods delivered by the Project closing date. A four month grace period will be granted to allow for the payment of any eligible expenditure incurred before the grant closing dates.

33. Necessary supporting documents will be sent to the Bank in connection with contracts that are above the prior review threshold, except for expenditures under contracts with an estimated value to be determined during negotiations. All operating costs, training, workshops and field visits will be claimed on the basis of SOEs. The documentation supporting expenditures will be retained and will be readily accessible for review by the external auditors and World Bank supervision missions. All disbursements will be subject to the conditions of the Grant Agreement and disbursement procedures as defined in the Disbursement Letter.

34. **Planning of Supervision.** A FM supervision mission will be conducted every six months based on the risk assessment of the project. The mission’s objectives will include:
(i) ensuring that strong financial management systems are maintained for the project throughout its life; and (ii) semi-annual review of IUFRs, review of annual audited financial statements and management letters.

35. **Action Plan.** The following action plan was agreed.

<table>
<thead>
<tr>
<th>Actions to be undertaken</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment of a consultant in Financial Management</td>
<td>1 month after effectiveness</td>
</tr>
</tbody>
</table>
**ANNEX 3: OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)**

Kingdom of Morocco: Accessing Overseas Employment Opportunities for Moroccan Youth

**Stage: Appraisal**

<table>
<thead>
<tr>
<th>1. Project Stakeholder Risks</th>
<th>Rating</th>
<th>Description</th>
<th>Risk Management</th>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Rating</strong></td>
<td><strong>Description</strong></td>
<td><strong>Risk Management</strong></td>
<td><strong>Resp</strong></td>
<td><strong>Stage</strong></td>
<td><strong>Due Date</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Moderate</strong></td>
<td>Potential beneficiaries have insufficient information to participate in the selection process. The youth targeted by this pilot often have limited access to information on employment opportunities. Outreach to young, appropriately skilled women in particular may be a challenge.</td>
<td>The Project design includes a communications campaign to reach out to potential beneficiaries through news sources, NGOs, and training and employment institutions. However, to maintain the manageability of this small pilot and avoid disappointing expectations, the communications campaign will not include a wide request for CVs at the recruitment stage.</td>
<td><strong>Client</strong></td>
<td><strong>Prep</strong></td>
<td><strong>04/09/2014</strong></td>
<td><strong>Not yet due</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Implementing Agency Risks (including fiduciary)</th>
<th>Rating:</th>
<th>Description :</th>
<th>Risk Management:</th>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1. Capacity</td>
<td>Substantial</td>
<td>ANAPEC’s lack of previous experience with Bank fiduciary processes leads to errors or delays in procurement. Though MESA has previously implemented a World Bank project, ANAPEC itself has not. There will be a steep learning curve to prepare it for its fiduciary roles and requirements. Further, the proposed use of single source procurement under the project presents a procurement risk.</td>
<td>FM and procurement consultants will be recruited to support ANAPEC in its fiduciary role. All staff involved in project implementation will undergo procurement and FM training prior to effectiveness. A project implementation manual with procurement procedures will be developed for the project, and will provide further guidance. The project supervision budget will take into account ANAPEC’s inexperience with World Bank projects by providing for semi-annual procurement and FM reviews and capacity building activities.</td>
<td><strong>Client and WB</strong></td>
<td><strong>Impl</strong></td>
<td><strong>Ongoing</strong></td>
<td><strong>Not yet Due</strong></td>
</tr>
<tr>
<td>3.2. Governance</td>
<td>Moderate</td>
<td></td>
<td>The project’s Implementation Manual will provide detailed criterion and instructions for the selection of apprenticeship candidates. Both GIZ and the World Bank team will monitor the</td>
<td></td>
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</tbody>
</table>

48
Employment selection process captured by elites. Apprenticeship candidates are selected based on their connections rather than suitability, leading to poorly qualified candidates and disillusionment with the selection process and pilot program.

| selection process to ensure that appropriate candidates are identified. |
|-------------------------|-----------------|----------------|----------------|
| Resp: Client            | Stage: Impl     | Due Date:      | Status: Not yet Due |

4. Project Risks

<table>
<thead>
<tr>
<th>4.1. Design</th>
<th>Rating: High</th>
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<tbody>
<tr>
<td>Description:</td>
<td></td>
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<tr>
<td>Involvement of multiple design and implementing partners leads to overlapping or confusion in responsibilities. Although project design is not complex, the Project involves three primary Ministerial implementation partners in two countries, in addition to a quasi-private implementing partner, supporting Ministries (e.g., Foreign Affairs, Finance), and the World Bank. Effective implementation will require close cooperation, but confusion about roles remains a risk. Apprentices fail to successfully complete the apprenticeship process. Passage of the apprenticeship is a prerequisite for finding continued employment in the sector and receiving a work visa for Germany.</td>
<td></td>
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<tr>
<td>Risk Management:</td>
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</tr>
<tr>
<td>The project will prepare a detailed project implementation manual detailing the role of each implementing partner at each stage of the project. The project implementation manual will build upon lessons from other pilot mobility programs. A Project Oversight Committee composed of one representative from each implementing partner will be responsible for regular reviews of project implementation, and will provide clarifications to operational procedures and responsibilities should the need arise.</td>
<td></td>
</tr>
<tr>
<td>Resp: Client</td>
<td>Stage: Prep</td>
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</table>

<table>
<thead>
<tr>
<th>4.2. Social &amp; Environmental</th>
<th>Rating: Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-up activities are not completed in sufficient time to allow for placement of apprentices in the Fall 2015 cycle. Apprenticeships in Germany commence in September. Therefore, the recruitment, training, and placement processes must proceed on schedule, and be completed by summer 2015. There is very little room for slippage in the project timeline.</td>
<td></td>
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<tr>
<td>Risk Management:</td>
<td></td>
</tr>
<tr>
<td>Though the candidates themselves will be responsible for their performance in the apprenticeship program, the Project will mitigate the risk of non-completion through careful design and management of the apprentice selection process. Candidates will be screened by officials in both the origin and destination countries for their technical attributes and motivation. The Ministry for Moroccans Abroad will provide ongoing support to apprentices to adjust to living in Germany.</td>
<td></td>
</tr>
<tr>
<td>Resp: Client and WB</td>
<td>Stage: Impl</td>
</tr>
</tbody>
</table>

| Risk Management: Project activities – including preparation of draft procurement and FM plans, development of a draft procurement package for components 1 and 2, initial identification of employers, etc – will proceed following submission of the Transition Fund application (and in advance of a possible approval) to ensure that all activities are ready to be launched should the project receive funding. The World Bank task team will frontload supervision support to help ANAPEC keep to the agreed timeline. |
| Resp: Client and WB        | Stage: Prep and Impl | Due Date: Recurrent | Status: Not yet Due |
**Description:** The project is not expected to entail major safeguards issues. Social impact is expected to be positive, though there is a risk of disappointment for those youth not selected to participate in apprenticeships, or who feel to complete the apprenticeships and obtain employment.

**Risk Management:** Preparation of safeguards frameworks to be completed and followed during implementation.

<table>
<thead>
<tr>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>Design</td>
<td>04/09/2014</td>
<td>Not yet due</td>
</tr>
</tbody>
</table>

### 4.3. Program & Donor

**Description:**
*Delivery timetable.* The project timeline and delivery timetable are dependent on the approval of the Transition Fund proposal, and the proactive management of partners in both Morocco and Germany.

**Risk Management:** The project timetable will be updated once the team has clarity on the Transition Fund approval and transfer. A partnership between the governments of Morocco and Germany has already been put in place, and is being confirmed by an MOU.

<table>
<thead>
<tr>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client</td>
<td>Design/Impl</td>
<td>08/01/2013</td>
<td>Not yet due</td>
</tr>
</tbody>
</table>

### 4.4. Delivery Monitoring & Sustainability

**Description:**
*Sustainability and scalability.* Should the pilot be successful, partner institutions in both countries would need to invest in adequate human resources to maintain and scale-up the program.

*Insufficient data collection and monitoring capacity.* The MESA in Morocco currently has limited capacity to collect and analyze employment data, and use this data for evaluating the pilot.

**Risk Management:** An MOU signed by the partner institutions in Morocco and Germany will confirm both governments’ commitment to the pilot and its goal of providing employment opportunities to Moroccan youth. The planned process and impact evaluation will provide important lessons for implementation improvements and scaling up in a second phase.

<table>
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<tr>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Client</td>
<td>Impl</td>
<td></td>
<td>Not yet due</td>
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</table>

**Risk Management:** An ongoing DPL is supporting the Ministry of Employment to increase its data collection and monitoring and evaluation capacities. During the pilot, the World Bank will prepare and perform an impact evaluation, working closely with the MoE in order to increase its capacity to undertake this role in the future.

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<tr>
<th>Resp</th>
<th>Stage</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>Impl</td>
<td>12/31/2017</td>
<td>Not yet due</td>
</tr>
</tbody>
</table>

### 4.5. Other

**Description:**
*Changes in political leadership or agenda reduce the support (political, human resource, or financial) for the Project.* Successful implementation will require continued support from

**Risk Management:** The Project addresses political priorities in both Morocco (youth unemployment) and Germany (labor shortages in key sectors). An MOU will be signed between the two countries underlining their commitment to the pilots. The selection process is designed to identify strong candidates for the apprenticeship positions, and the implementing partners will provide support and monitoring throughout the apprenticeship period in order to identify and address any potential problems early on.
the origin and destination governments throughout the period of the pilot. Migration can be a sensitive and politically difficult topic, and bottlenecks or problems during Project implementation could undermine political support.

Employers, government, civil society, and stakeholders themselves will be consulted throughout project implementation, and an exit survey and process and impact evaluations will be conducted to identify ways to improve project design.

| Resp: Client | Stage: Impl | Due Date: | Status: Not yet due |