



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Morocco

Reporting Period: 1 January - 31 December 2021

JP title: Roadmap for an Inclusive Sustainable Development Goals Financing Framework

PUNOs: UNDP, UNICEF, WHO

Government partner: Ministry of Economy, Finance and Administration Reform

Target SDGs: SDGs 1, 3, 4, 5, 8, 10, 16, 17

Gender Marker: 1

Approved budget: USD 1,000,000

Co-funding: USD 1,260,000

Total Disbursement by 2021: USD 500,000

Total estimated expenditures: USD 286,650.5 (est. Delivery rate: 57.3%)

Total estimated commitments (including expenditures): USD 479,211 (est. Committed rate: 95.8%)

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Executive Summary

Under the ongoing program “Roadmap for an Inclusive SDGs Financing Framework”, the UN jointly with the Government of Morocco are supporting the financial architecture assessment and adaptation to improve SDG Financing and financial inclusion. This includes the elaboration of SDG Investor Maps – an innovative tool providing investors with country-level market intelligence that highlights key intersections between development need, policy priorities, and investor interest. Moreover, the launch of the SDGs/ New Development Model bonds that is based on the assumption that bond issuers, including companies, governments or municipalities, can raise capital based not only on their profitability potential, but also on their impact thesis in terms of the use of funds to achieve the SDGs. Direct support provided to key sectors (health and social protection) to enhance implemented and integrated financing strategies to accelerate SDG progress. In this regards, different flagship initiatives have been developed namely, a) analyzing the fiscal space including private sector involvement for the social protection system, b) providing inputs to the strategy and sustainability of the SDGs financing, c) The institutionalization of the GAP dialogue aiming to create a political space for more convergence among actors but most importantly creating a collective oversight system for policy choices, through providing decision makers with recommendations and guidance for

actions. The UN support includes, among others, capacity building and advocacy to promote the financial inclusion of the most fragile segments of the population, for example, the training on Public Finance For Children, with Ministry of Finance and relevant stakeholders.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: The program is considered on track because of the satisfactory progress of the main activities, leading to important achievements in the near future. It's especially the case of evidence development, through the work already done on preschool costing, the fiscal space analysis, and on the strategy of the SDGs financing. Significant progress had been also made in terms of advocacy through the institutionalization of the GAP dialogue, and institutional capacity strengthening via multisectoral high level training sessions. The objective is to accelerate the implementation of the SDGs. In addition, innovative financing tools were developed in partnership with the Government of Morocco, who is showing a growing interest to the SDG financing aligned models (SDGs bonds, SDGs investor map).

Overall progress and key developments to date (3 key JP milestones)

[Reporting is structured following the proposed categories (a to f)] a) The institutionalization of the GAP dialogue was initiated with aim to have a common vision of the way UNCT and the government will structure the GAP dialogue and to create a political space for more convergence among actors and a collective oversight system providing decision makers with recommendations and guidance for action. It will also be a collective evaluation accompanying public policies implementation. The training and the creation of a network among multisectoral actors will also contribute as a convergence opportunity for a collective action. The project "Big Data for SDGs in Morocco" consists in exploiting the big data revolution to monitor Morocco's progress on SDGs indicators. It includes a conceptual phase and an experimentation through three pilot projects. Several workshops were held with the Department of Economic Studies and Financial Forecast (Ministry of Economy and Finance) to collect contextual elements and needs that fed the RFP and the study ToRs. b) The study on the strategy and sustainability of the SDGs financing is being finalized by UNICEF (Methodological note, benchmarks and diagnostic are ready) and a draft of the final report was shared with HCP. Once ready, this document would constitute an important input for the national SDG financing framework. In addition, WHO conducted a study on how to standardize the follow up of SDG3 indicators through the identification of (i) the relevant indicators, (ii) the necessary studies that should be planned in the future in order to measure each indicator and (iii) the strategic actions that should be undertaken by the Government. c) The UNDP support of the issuance of SDGs bonds in Morocco is in line with the recommendations of the New Moroccan Development Model (NDM), which calls for the use of innovative financial instruments. A first version of the concept note had been developed and then adapted to the NDM and the draft of a pre-feasibility study for the launch of SDG Impact Bonds in Morocco. Also, two public policies, pre-schooling and social protection, were targeted through two studies (i) The final preschool costing: report was shared with relevant stakeholders and restitution of the results is planned for February 2022 and (ii) a fiscal space analysis for the social protection system in Morocco is on process (The methodological report is validated and data collection had started). e) Support the finalization of the training on Public Finance For Children, with Ministry of Finance and relevant stakeholders. More than 30 participants (including 61% of women) from 10 different sectors who work directly on social policies associated with the SDG targeting children benefited from this training: MoF, MoH, HCP, DGCL, INDH, MoEDUCATION, MSD, MJ, MJS, ONDE). WHO also supported the training of 26 multisectoral actors including decision makers from different government departments and UN agencies on leadership for a multisectoral action, the training was delivered by the UNSSC. At the end of the training a network was created for a collective reflexion on future actions. The added value of this training is the creation of a strategic alliance for collective action and dialogue among involved agencies. f) The SDGs Investor Map Morocco study supported by UNDP aims to identify Investment Opportunity Areas in Morocco that are aligned with national priorities and sustainable development requirements, and that

have high investment potential. The progress to date includes the production of a first version of the SDGs Investor Map Morocco and its update following feedback from stakeholders. This update aimed to align of the Map with the New Development Model’s Transformation axes as well as with the 2021-2026 Government Program and to update certain investment opportunities to better reflect their size and potential impact.

Changes made to JP: The modification included a no cost extension of six months, as well as an update of the prodoc annexes.

Main Challenges: • The analysis of the program progress should be done within the specific context during which JP’s activities were conducted. Indeed, the Covid 19 pandemic overshadowed slightly the importance of the JP for decision-makers as the whole country was involved in priority in dealing with the pandemic. Despite that difficult context the three agencies tried to adapt the actions initially planned for a more added value of the JP in the current context. • Morocco also faced national elections earlier this year. The results of the election led to an almost complete ministerial turnover and installation of a new government and Prime Minister. • Lack of multilingual material delays the finalization of the ToRs of analysis and studies.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Completed (100%)	Advancing (50-99%)	Emerging (1-49%)	Emerging (1-49%)	Advancing (50-99%)

Descriptions on progress by INFF building blocks

Inception Phase: Although the economic recovery remains lagging behind for Morocco, the SDGs fund represents a great opportunity the partners to develop its own integrated, transformative and inclusive finance solutions to tackle the interconnected challenges of poverty, vulnerability, inequality and exclusion. On this regard, the preliminary actions increased government interested in the alignment of the national budgeting to the SDGs. The fund helped in developing new partnerships to enhance data analysis with the agreement signed with the National Observatory of Human development <https://www.ondh.ma/>. While designing the JP outcomes, UNPO and government members get larger view on the expected results from this JP. Also, Morocco takes initial steps towards SDGs aligned bonds issuances.

Assessment & Diagnostics: Following the extensive desk-research and the comprehensive analysis of national and international political strategies as well as reports, our work on SDG Investor Map Morocco continued with in-depth stakeholder consultations. In total, we have conducted 26 interviews with prominent stakeholders The stakeholder consultations have been crucial in gathering further info on the identified priority sectors and Investment Opportunity Areas (IOAs) in Morocco.

In conclusion of this process, the following 8 sectors were identified as priority sectors for the SDG Investor Map Morocco: i. Food and Beverage; ii. Transportation; iii. Education; iv. Healthcare; v. Renewable Resources and Alternative Energy; vi. Technology and Communications; vii. Infrastructure; viii. Services. Within these sectors, The study on the strategy and sustainability of the SDGs financing is being finalized by UNICEF (Methodological note, benchmarks and diagnostic ready) and a draft of the final report was shared with HCP (national office of statistics) and now is being finalized. Once ready, this document would constitute important input for the national SDG financing framework.

WHO developed a standardized tool for follow up of SDG3 indicators and actions. A methodological note and draft report were developed for the institutionalization of the GAP dialogue (the report will be finalized according to a participatory approach among UN agencies and the government).

Financing Strategy: Two public policies, preschooling and social protection, were targeted through two studies. (i) The final preschool costing report was shared with relevant stakeholders and restitution of the results is planned for February 2022 and (ii) a fiscal space analysis (including private sector involvement) for the social protection system (linked to SDG1 – target 1.3) in Morocco is on process (The methodological report is validated and the data collection had started). For WHO the ministry of health adopted in 2021 the health financing strategy that will be supported by the MPTF through the systematization of the health financing dialogue. The actions of the health financing strategy are being implemented we cite here some of them (from other WHO sources of funding) : The creation of a national observatory of health, the implementation of health technology assessment tools like costing, the revision of the benefits package to take into account the Financial feasibility of its implementation.

As per UNDP support to the government of Morocco, the ongoing analysis mainly the SDGs Investor Map and the SDGs Bond are enhancing national ownership. Results of the analysis are under government approval and should enhance national budgeting.

Monitoring & Review: Unicef developed an approach with MEF in 2021. The general objective of Child-Sensitive Budgeting approach is to gradually integrate the child dimension into planning, programming and budget monitoring, including policy formulation processes, by providing analytical insight into the light of children's rights (SDGs 3&4). The development of a standardized report on SDG3 with possible systematic analysis to be done in the future as well as the structuring of the list of indicators. This systematization will facilitate the follow up of SDG3 indicators and facilitate also the link with the decision-making process.

Governance & Coordination: The institutionalization of the GAP dialogue was initiated and will be finished during the second tranche of the MPTF. With the aim to have a common vision as to the way UN agencies and the government will structure the GAP (global action plan) dialogue. The institutionalization will serve to create a political space for more convergence among actors but most importantly creating a collective oversight system for policy choices, through providing decision makers with recommendations and guidance for action. The dialogue space will also serve as a collective evaluation that will accompany public policies implementation. Also, the training course and the creation of a network among multisectoral actors will allow a convergence for a collective action (strategic direction).

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

In view of the ongoing health crisis COVID-19, the joint programme keep focusing in supporting Morocco to leverage resources towards the strengthening of health systems via the Global action plan SDG3+, and fostering resilience and financial inclusion of the most fragile populations, which is all-the-more relevant and is reflected in the analysis of the fiscal space and the SDGs investor map.

How did the JP apply the Gender Marker

The surveys and studies carried under this JP contain sex-disaggregated data that address gender issues. Besides, the implementing partner is recognised as a champion of gender budgeting. Moreover, capacity building sessions were designed to ensure gender parity. Female participation exceeded 50%.

Estimated % of overall disbursed funds spend on gender: 0%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

The JP targeted SDGs (1, 3, 4, 5 and 10) are oriented mainly to support vulnerable population. So the program is completely aligned with LNOB approach. Also, all the analysis done under this JP are human centered.

How did the JP work to build ownership and buy-in of key stakeholders

Following the extensive desk-research and the comprehensive analysis of national and international political strategies as well as reports, our work on SDG Investor Map Morocco continued with in-depth stakeholder consultations. In total, we have conducted 26 interviews with prominent stakeholders such as Bank Al Maghrib (Moroccan Central Bank), Maroc PME (National Agency for Promotion of SMEs), AMEE (Moroccan Agency for Energy Efficiency), IRESEN (Research Institute on Solar Energy and New Energies), CCG Caisse Centrale de Garantie (Central Guarantee Fund), EIB (European Investment Bank), KfW (German Development Bank), Société Générale, SEAF, CRI Marrakech-Safi (Center for Regional Investment in the Marrakech-Safi Region) and CRI Casablanca-Settat (Center for Regional Investment in the Casablanca-Settat Region). The stakeholder consultations have been crucial in enhancing national ownership and involving other key stakeholders.

Also, besides the capacity building activities and the participative approach followed during development and implementation of the program, a technical committee has been set up with permanent members of numerous ministries to monitor the process of child-sensitive budgeting.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

As part of the development of a roadmap for the inclusive financing of the SDGs in Morocco many activities have been launched targeting a number of SDG-related access to financing indicators, notably SDG 1.4 (equal access to financial services); SDG 8.3 (MSME access to finance); and SDG 8.10 (Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all). The planned activities include, among others, i. the strengthening of Morocco Financial Inclusion strategy and its alignment with the SDGs and ii. capacity building and advocacy to promote the financial inclusion of the most fragile segments of the population. Under the JP, Morocco has completed 4 flagship initiatives: 1. A study on the impact investment ecosystem aimed at promoting impact investing as a significant SDG enabler for Morocco and 2. The elaboration of SDG Investor Maps – an innovative tool providing investors with country-level market intelligence that highlights key intersections between development need, policy priorities, and investor interest 3, fiscal space and preschool costing, 4 the Morocco action plan for the acceleration of the SDGs 3.

JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)

As part of the second outcome “Relevant evidence is generated to channel public and private capital for the implementation of the SDGs”, the first main result is that budgetary space and social public expenditure being analyzed by analyses the Moroccan budgetary space, including the potential of private sector for the financing SDGs and analyze the expenditures of the main social protection policies, and programs targeting of SDGs (Budgets briefs of key sectors). Also by conducting a costing of the integrated social protection policy targeting SDG 1,3,5,8 and 10 in order to inform a financing strategy adapted to these SDGs, and finally by analyzing the financing needs of SDGs targeting early childhood development in the areas of health, nutrition and education particularly preschool education (SDGs 3&4). The second main result is having relevant M&E system tools and indicators by strengthen capacity in child sensitive budgeting system and M&E with Ministry of Finance and relevant stakeholders, and elaborate CPEM targeting SDGs focusing on Child.

One of the main objectives of the JP was to strengthen the national capacity in different areas: capacity building, policy dialogue, and provide strategic studies to structure the follow-up of SDG3 objective. The JP contributed to bring together a set of actors from multisectoral departments to learn about health in all policies and the importance of the collective action as part of the success determinants of achieving SDG3. The discussion about institutionalizing the GAP dialogue is not only beneficial for SDG3 but also can later be used as a tested model for further extension to other SDGs. The JP also contributed to stimulating the discussion about the necessity to structure the follow-up of SDG3 indicators but more importantly bridging the GAP between measuring the progress and

undertaking strategic actions for change. That's exactly what was done through the development of a temple report describing the whole process from data collection to undertaking actions on the ground. Main outputs of the outcome 4 are related to the finalisation of the analysis and studies planned under the outcome 1. on this regard, the process of the implementation of the should be launch during 2022.

Progress against JP-specific outcomes

The issuance of SDGs bonds in Morocco is launched in line with the recommendations of the New Moroccan Development Model, which calls for the use of innovative financial instruments.

The SDGs Investor Map Morocco study realised and help identifying Investment Opportunity Areas in Morocco that are aligned with national priorities and sustainable development requirements, and that have high investment potential.

The SDGs investor map defined the following 8 sectors were identified as priority sectors for the SDG Investor Map Morocco: i. Food and Beverage; ii. Transportation; iii. Education; iv. Healthcare; v. Renewable Resources and Alternative Energy; vi. Technology and Communications; vii. Infrastructure; viii. Services. Within these sectors, 27 IOAs were identified: 1. Investments in olive production to diversify crops 2. Investments in organic farming 3. Sustainable aquaculture-focused investments 4. Provision of precision agriculture solutions providing real-time data via sensors and drones 5. Increasing the land transport connectivity with a particular focus on connecting rural regions 6. Enhancement of the rail transportation network and its operation 7. Expansion of port capacities 8. Investments in sustainable and shared mobility solutions for transportation of individuals 9. Investments in tertiary and vocational training institutions 10. Enhancing pre-schools and early childhood development programs 11. Investments in online learning platforms 12. Establishment of private dormitories to provide affordable housing opportunities mainly for students coming from rural regions 13. Investments in vaccine production and distribution 14. Investments in private hospitals and clinics to provide healthcare services 15. Digital health care services such as telehealth 16. Investments in solar farms and component production 17. Investments in wind power farms and component production 18. Energy efficiency solutions for buildings 19. Equipping buildings with renewable energy technologies such as thermal solar systems including solar hot water for water and space heating, and solar ventilation air preheating 20. Investments in mobile payment applications 21. E-commerce platforms where suppliers can digitally market products and services to buyers using B2B and B2C models 22. Enhancing the digitalization of small and medium sized enterprises (SMEs) 23. Investments in landfill sights' modernization including the exploitation of biogas capture potential 24. Provision of recycling services for e-waste 25. Reinforced wastewater treatment facilities and technologies 26. Investments in energy efficient and quality social housing 27. Investments in the development of eco- and community-based tourism

The experience of leading a strategic and multisectoral training with UNSSC has opened widely the eyes of policy makers especially in the health sector for a more generalization of this experience to cover more areas of health system reform and strengthening. This course was widely appreciated by participants and a video documenting the course journey was developed to stimulate this dynamic. The success of this experience was more on the side of creating a network gathering all participants to think collectively on how a multisectoral action can be organized and implemented.

Progress against JP-specific outputs

As part of the second outcome "Relevant evidence is generated to channel public and private capital for the implementation of the SDGs", the first main result is that budgetary space and social public expenditure being analyzed through the financing needs assessment of SDGs targeting early childhood development in the areas of health, nutrition and education, particularly pre-school education(SDGs 3&4) The second main result is having relevant M&E system tools and indicators through a capacity building in child sensitive budgeting system and M&E with Ministry of Finance and relevant stakeholders

On the third outcome : - strategic course in leadership for decision-makers from different sectors - GAP institutionalization - System for monitoring and health indicators assessment

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The joint program constitutes an opportunity for the three PUNOs to create a space for collective creation and collaboration and knowledge sharing on the best ways to mobilize and build buy in from the government side. Bringing their respective value added, the three Agencies were able to cover a wide spectrum of strategic policies with interventions that complete each other. Also, the program was designed in such a way that the output of an agency constitutes the input of the other one.

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

The work on the social protection policy (family allowance) as well as sustainability of SDG financing is an opportunity to involve private sector, and highlight its central role. The design of the program is designed to give new opportunity to involve the private sector as a key actor in achieving the SDGs. The JP is primary designed to optimize mix of financing flows (public, private, international and domestic) with additional financing is leveraged to accelerate SDG achievement.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
Yes	No	No	No	No

Comments on additional financing secured: The work on the social protection policy (family allowance) as well as sustainability of SDG financing is an opportunity to involve private sector, and highlight its central role. The design of the program is designed to give new opportunity to involve the private sector as a key actor in achieving the SDGs. The JP is primary designed to optimize mix of financing flows (public, private, international and domestic) with additional financing is leveraged to accelerate SDG achievement.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
No	No	Yes in 2021

Number of strategic documents produced by the JP: 6

Number of strategic documents contributed by the JP: 0

Number of communication materials produced: 6

2022 Plans & Way Forward

JP priority activities & expected results for 2022

UNDP Organisation of the national forum of the SDGs finance, Diffusion of the results of the SDGs investor map Finalizing the SDG/NMD bonds, Development of the INFF Launch of big data revolution to monitor Morocco's achievements in terms of indicators related to the SDGs UNICEF · The restitution for the results of the final preschool costing

report is planned for March 2022. · The final report of Study of analyzing the fiscal space is planned for May 2022. · The final report of Study on the strategy and sustainability of the SDGs financing is planned for April 2022. · Capacity building on Public Finance For Children, with Ministry of Finance and relevant stakeholders on Budgets briefs is planned for 2022.

WHO · Conduct strategic studies in the area of SDG3 as planned by adjusting the ToRs to ensure complementarity with other agencies studies. · Complete the institutionalization of the GAP and validate that with all signatory agencies · Organize the second GAP dialogue if the epidemiological situation allows that · Continue capacity building in complementarity with other sources of funding from WHO country office’s budget

3 major transformative results that will be achieved by the end of the JP

UNDP SDGs based budgeting enhanced, data provided to enhance SDGs targeting in financial planning, engage private sector in the implementation of the SDGs.

UNICEF · Strategic studies and costing will guide the government in elaborating public policies with evidence based, especially for SDGs 4 with the costing of preschool model for a sustainable financing for its generalization in 2026, and the fiscal space study especially for generalization of family allowances (SDG 1). · Implementing the Child-Sensitive Budgeting approach which will help to gradually integrate the child dimension into planning, programming and budget monitoring for targeting SDGs 3 and 4.

WHO · Strategic studies that will guide the health system reform with some recommendations for the implementation phase · Validate a model of institutionalizing the policy dialogue GAP that will facilitate the collective oversight and participation in the policy making process · Build on the first experience of the strategic training to create a multisectoral network for a collective learning and converging actions

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Advancing (50-99%)	Emerging (1-49%)	Advancing (50-99%)