

**REQUEST FOR COUNTRY ALLOCATION OF UNDP COVID-19 2.0
RAPID FINANCING FACILITY**

Clearance

Criteria	Yes/No
Funding is provided to support the implementation of the UNDP Covid-19 2.0 offer in alignment with national priorities and needs, and in partnership with the UNCT and other partners.	Yes
Proposal is aligned with priorities identified in national socio-economic impact assessments and/or national Covid-19 recovery plans.	Yes
Proposal is complemented by other funds	Yes
CO has expended at least 50 per cent of its RRF funding.	Yes
Gender marker ratings (GEN2 or 3) validated.	GEN2

Technical Recommendation – Summary (100 words maximum)

The proposal has gone through a comprehensive GPN/Hub technical review followed by a thorough quality assurance by the senior RBAS team and endorsement by the RBAS Regional Director a.i. for submission to the Investment Group. RBAS confirms that the proposal is fully compliant with RFF selection criteria and recommends the proposal from the CO in Morocco for approval by the Investment Group.

Building on UNDP Morocco’s portfolio of projects with the Ministry of Finance, Economy and the Reform of the Administration, with local development institutions as well as the support received from the Rapid Response Facility, this proposal will take advantage of the current context to support a major digital transformation of the public administration, while promoting rural women with digital literacy to support the transformation of women cooperatives into more lucrative and sustainable businesses.

The RFF funding will serve as seed funding to mobilize \$4.4 million from the Government of Morocco, as per the agreement that was recently signed with the Ministry of Finance, Economy and the Reform of the Administration.

Even though this project has an overall Gender Marker rating of GEN 2, it is worth noting it has one clear GEN 3 output.

SUBSTANTIVE AREA OF RFF REQUEST

- Continued Health Crisis Support
- Governance
- Social protection
- Green economy
- Digital disruption and innovation**

PROPOSAL DETAILS (MAXIMUM APPROXIMATELY 3 PAGES)

Country:	Morocco
Requestor:	Edward Christow, Resident Representative
Project title (5-7 words)	Supporting digital transformation of the public administration and women-led cooperatives
Requested amount:	350 000 USD
Gender Marker:	GEN 2
Date of submission:	26 October 2020
Implementation Start Date:	1 December 2020
Implementation Complete Date:	1st June 2022

1. Situation analysis

The COVID-19 pandemic has shown that the acceleration of the digital transformation of the Moroccan administration is more pressing than ever to strengthen governance and ensure access by the population and enterprises to critical government services. As the Government of Morocco is discussing the 2021 draft finance bill, the acceleration of the simplification of procedures and the digitalization of the public administration has emerged as a top priority. Digitalisation, however, poses significant challenges. The most important constraint is the scarcity of requisite skills, not only in government leadership and bureaucracy, but also across the population at large. Lack of skills breeds, in turn, distrust and resistance to digitalisation that the current context may help break. Other significant constraints include financial resources but also legal constraints and the need to address citizens' privacy concerns.

COVID-19 is having devastating socio-economic impact on Morocco. According to the UNDP led SEIA¹, a drop in economic activity of 30%-50% was recorded during the 3 months of lockdown. More than 5.5 million households required financial assistance, and an estimated 950,000 employees who were on temporary work-breaks, are struggling to resume their employment. Women, who represent 21.3% of the labour force, have been particularly hard hit by the economic fallout.

Women cooperatives are a major employer for women in rural areas. It is estimated that around 3,000 women cooperatives, generating more than 150,000 jobs (mainly green jobs), have been severely hit by the COVID-19 crisis. Dependent on intermediaries, ill-equipped to adapt to lockdowns and supply chain disruptions, and hindered in their capacity to reap the benefits of the digital economy² because of the persistent "gender digital divide", women are struggling to maintain their cooperatives. Morocco ranks ninth in the Arab world in terms of Internet usage. When it comes to using the internet, acquiring digital knowledge and participating in the digital economy and society, women are lagging, even more so in rural areas where only 55% citizens have online access³. The gender digital divide also mirrors the literacy gap between men and women in rural areas (75% versus 45%).

Rural women cooperatives are in dire need of innovative solutions. Digitalization could increase their efficiency and profitability to levels previously unattainable. Building on the evidence of digitalization's positive impact on accelerating SDG achievement⁴, as well as evidence from experimental schemes that

¹ Socio Economic Impact Assessment

² Based on the 5th wave of Arab Barometer surveys, carried out between 2018 and 2019.

³ Based on the 5th wave of Arab Barometer surveys, carried out between 2018 and 2019.

⁴ The report argues for a "digital with purpose" strategy to support the transformation needed to achieve the SDGs. Analysis of 20 SDG targets and their indicators shows that deployment of existing digital technologies will help accelerate progress by 22% and mitigate downward trends by 23%, on average ==><https://sdg.iisd.org/news/gesi-deloitte-report-analyzes-impacts-of-digital-technology-adoption-on-the-sdgs>.

would be introduced by this program, UNDP will be supporting the Government of Morocco in advancing the local digital and green economy at the grassroots level where most digital players overlook the potential of doing business and where the potential of growth remains untapped. Our offer aims to support a multi-layered digital transformation of women-led cooperatives, unlocking the potential of mobile money as an effective way to boost low-income and underbanked women-led cooperatives, combining policy level interventions with a solutions portfolio that will be propelling them into the digital economy, and will help them bypass the middleman and access new opportunities.

2. Proposal overview and expected outputs

This project aims at supporting the Government of Morocco's (GoM) efforts in public service digitalization, and transforming of the dominant co-operative model to help this local-jobs-creation engine survive and thrive in the digital economy, allowing rural women empowerment, green recovery and new digital offerings. The programme will also support the messy middle⁵ of the cooperatives digital transformation journey to embrace cost effective digital platforms of productive inputs, ecommerce or basic services.

The underlying theory of change is:

“IF GoM is provided with an operational public services digital transformation plan, and IF the legal framework is enhanced, and IF digital services are well organized and equipped to complete a number of online procedures, THEN the quality of public services to users will improve AND citizens' trust will increase towards public institutions.

IF a proper assessment of cooperatives' capabilities, needs and opportunities is conducted, and IF the capacity of women cooperatives to deliver quality green products is strengthened and value chains are optimized, and IF access to training opportunities on digital technologies for women's cooperatives is improved, THEN resilient, efficient and green women cooperatives will emerge and survive, increasing economic values for their families and communities”

This translates into the following outputs:

Output 1: Public institutions digital services offerings enhanced to keep up with the administration modernization requirements and citizen's needs

Support to the GoM's ambition to improve the quality of public services to users by reducing and generalizing ICT-based public administration and delivery of services. This includes adapting and digitizing the public administration guide, upgrading the existing national portal of public services by creating a central website with portals specific to each administration, mobile applications and public service terminals.

Output 2: Key priorities identified to promote digitization and the development of the digital economy in rural areas

UNDP will bring together public entities, private sector and grassroots organizations to collectively construct digital offerings and user experiences matching the needs of women-led cooperatives. This includes market needs and growth potential analysis and understanding of women cooperatives'

⁵ <https://www.businessprocessincubator.com/content/digital-transformation-2020-the-digital-transformation-roadmap-the-journey-and-the-messy-middle/>

competitiveness and readiness to step into the digital economy bottlenecks. Mapping solutions will help sense unmet needs and tap into and cultivate the collective local ingenuity using small scale and cost-effective micro-narratives research. Findings will supplement megatrends and market needs analysis and help then construct an evidence-backed portfolio of high-potential solutions, with a view on transforming rural women cooperatives.

Output 3: Digital transformation of women-led cooperatives supported.

UNDP will support develop awareness of brand management, credibility and competitiveness using an experimental approach and providing a continuum of training courses tailored to the beneficiaries' needs and capacities.

UNDP will support the development of affordable digital platforms enabling cooperatives to innovate, develop products, adapt business model to their customers' needs, improve services, and become efficient and resilient to external shocks, improving their capacity to create and maintain employment. This support will initially focus on 40 women's cooperatives and with leveraged funds (see below) be expanded.

3. Management arrangements

The RFF funding complements UNDP Morocco's initial response to COVID-19. It will provide seed funding for new avenues, including for support to the reform of the public administration and as a response to the key recommendations of the Socio-Economic Impact Assessment of the COVID-19 that was led by UNDP, on behalf of the UN System, and the High Commission for Planning. As such, the RFF will support key initiatives under the United Nations joint COVID-19 action plan in direct assistance to the Government of Morocco.

The execution modality will be Direct Implementation Modality (DIM). If approved, the proposal will be transformed into an initiation plan as new partnerships are added that would augment the seed funding into more ambitious outputs.

The Project Organisation Structure will comprise a Project Board consisting of UNDP, the National Digital Development Agency (ADD), the Ministry of Economy, Finance and Public Administration and other national partners. UNDP will provide backstopping, quality assurance (technical supervision, communications, M&E, SSCT, operations), and will hire a dedicated national project coordinator who will report to the Assistant Resident Representative - Programme to ensure synergies with other projects within a portfolio approach.

4. Partnerships

UNDP Morocco will leverage its existing partnerships with the Ministry of Finance, Economy and the Reform of the Administration, the Ministry of Employment, the Ministry of Industry, Trade, Investment, and the Digital Development Agency, UN Agencies such as UNIDO and UN women, and the IFIs (IsDB, WB and IFC) to optimize the RFF resources through synergies with existing projects that will allow economies of scale, including UNDP projects such as the Southern Oasis Project (POS), Circular Economy project, Integrated Local Development of the Oriental region (DELIO) and others. As a key partner in digital transformation, the private sector will be closely associated to the project through the Local Network of the Global Compact, co-hosted by UNDP Morocco and the General Confederation of Enterprises of Morocco (CGEM).

5. Complementarity with other funds available for COVID-19

The RFF proposal will be implemented in complementarity with other ongoing and planned projects and initiatives:

Funding source	Amount	Purpose of / period covered by Funding
SDG Fund	\$1 million	Financial inclusion/ digital finance
RRF	\$250 000	RBAS - Export promotion for women Argan cooperatives
Sweden (via RBAS regional programme on Arab Economic Integration)	\$235,000	Enhancing Women Participation in Trade Activities in the Argan Oil Sector in Morocco
DLT4EU	TBC	Alt-Fin Lab – Blockchain- track and trace for women argan cooperatives
Tadamon	TBC	SIDA – E-commerce platform for Moroccan cooperatives
Funding Window for Governance, Peacebuilding, Crisis and Resilience (GPCR)	\$ 300 000	Youth-led social innovation for sustainable development

The project serves as seed funding to mobilize \$4.4 million from the Government of Morocco, as per the agreement that was recently signed with the Ministry of Finance, Economy and the Reform of the Administration. It is also expected to leverage additional funds as per the table below:

Leveraging of new resources:

Funding source	Amount	Purpose of / period covered by Funding
Ministry of Finance, Economy and the Reform of the Administration	\$4.4 millions (Government cost sharing)	Digital transformation of public administration services
MPTF (pipeline)	\$1 million	Digital Economic Empowerment Program (DEEP) for women cooperatives

Funding source	Amount	Purpose of / period covered by Funding
Italy (pipeline)	€1 million	Revitalizing the Entrepreneurial Ecosystem of the Region of Guelmim Oued Noun

6. Risk mitigation

The project will be monitored applying programmatic principles and utilizing UNDP's risk management methodology as follows:

Risks	Likelihood:	Impact:	Mitigating measures
	Low 1 / 5 High		
Restrictions of movement extended owing to the prolongation of the COVID 19 crisis impact the delivery of the project	4	5	Flexible design allows for activities to be fine-tuned and delivered through a blended approach, and schedules to be adjusted by the project board
Change of Government of Morocco (GoM) causing delays in the implementation of the project	1	3	Strengthening work with sub-national government levels.
Aggravation of the economic and social crisis causing digital transformation/ green jobs issues to be relegated to the bottom of the political agenda	2	3	Advocacy with the government so that digital transformation/ green jobs remain a priority in their political agendas
Fiscal austerity measures result in reduced investments in digital transformation/ green jobs	2	3	Advocacy with the government and continued resource mobilization with partners so that digital transformation/ green jobs are prioritized
Lack of political will to prioritize digital transformation/ green jobs	1	3	Communication and awareness raising activities from the outset of the project, focusing on the use of evidence
GoM decides not to proceed with the studies and implementation is delayed	2	3	GoM on board with the approach; building on our existing partnerships
Insufficient prerequisite skills needed for cooperatives to be able to fully take advantage of digital transformation training	1	2	Using tested and simplified UNDP toolkit that has been specifically designed to deliver bite size and digestible trainings to MSMEs

EXPECTED OUTPUTS	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME						RESPONSIBLE PARTY	Source of Funds	Amount	
		2020	2021				2022				
		Q4	Q1	Q2	Q3	Q4	Q1				Q2
Output 1: <u>Public institutions digital services offerings enhanced to keep up with the administration modernization requirements and citizen's needs</u>	<i>Activity 1.1: Developing a public services digital transformation plan</i>	x	x	x	x	x			UNDP + Dep. of public administration reform (DPAR)	RFF	20,000
	<i>Activity 1.2: Strengthening the regulatory policy legal framework</i>	x	x	x	x	x			UNDP + DPAR	RFF	20,000
	<i>Activity 1.3: Adapting and digitizing the public administration guide</i>	x	x	x					UNDP + DPAR	RFF	30,000
	<i>Activity 1.4: Helping targeted administrations test and develop multiservice facilities equipped with digital terminals to complete a number of online procedures</i>	x	x	x					UNDP + DPAR	RFF	40,000
	<i>Activity 1.5: Upgrading the existing national portal of public services</i>	x	x	x	x	x			UNDP + DPAR	RFF	40,000
Output 2: <u>Key priorities identified to promote digitization and the development of the digital economy in rural areas</u>	<i>Activity 2.1 Mapping solutions and constructing a portfolio of high potential solutions, with a view on transforming rural women cooperatives. This will include market intelligence (market needs and growth potential analysis and in-depth understanding of women cooperatives and impediments that limit their competitiveness and readiness to step into the digital economy)</i>	x	x	x	x	x			UNDP	RFF	29,000
	<i>Activity 2.2 Providing in-house strategic foresight using existing methods that help understand what the future holds in terms of boosting green cooperative, building on Accelerator Labs Network experience and IFTF (available and ready to use toolkit) who are one of the</i>	x	x	x					UNDP	RFF	10,000

	<i>leading organizations in Foresight and future thinking. https://www.iftf.org/foresighttalks/</i>										
Output 3: <u>Digital transformation of 40 women-led cooperatives supported.</u>	<i>Activity 3.1 Putting in place small scale qualitative research that helps understand rural women’s specific financial needs when it comes to mobile money and other digital financial. In addition, designing incentivizing experiments and nudges for mobile money services suited for working rural women.</i>	x	x	x					UNDP	RFF	1,000
	<i>Activity 3.2 Carrying out an ethnographic study along with market studies and insights about the business models and business development of women's cooperatives in the context of digital economy.</i>	x	x	x					UNDP	RFF	20,000
	<i>Activity 3.3 Using a caravan approach, spreading outreach and identifying rural women grassroots innovators with the potential to serve as digital ambassadors in addition to women community engagement leads who can keep the women highly engaged at the same time as disseminating the network effect. In addition, organizing a group of trusted women that are recognized as natural leaders would inspire confidence and trust among women to adopt, adapt and learn about mobile money value proposition.</i>	x	x	x	x				UNDP	RFF	25,000
	<i>Activity 3.4 Building the capacity of the cooperatives to deliver new high quality products and services by creating two local virtual platforms: Living lab: a space for creativity and experimentation available to cooperatives employees, members and even third parties; and Concept stores: new spaces where the services are offered in different ways, sometimes to different target audiences.</i>	x	x	x	x	x	x	x	UNDP	RFF	40,000

	<i>Activity 3.5: Co-designing and raising additional funding for Virtual concept store that would help market unique agribusiness products to other regions.</i>	x	x	x	x	x	x		<i>UNDP</i>	<i>RFF</i>	<i>20,000</i>
	<i>Project management, monitoring and evaluation and communication</i>	x	x	x	x	x	x	x	<i>UNDP</i>	<i>RFF</i>	<i>55,000</i>
Total											<i>350,000</i>

RESULTS FRAMEWORK

EXPECTED OUTPUTS	OUTPUT INDICATORS ⁶	BASELINE		MILESTONES AND TARGETS						
		Value	Year	2020	2021				2022	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
Output 1: <u>Public institutions digital services offerings enhanced to keep up with the administration modernization requirements and citizen's needs</u>	A public services digital transformation plan is developed.	0	2020	0	0	0	1	1	1	1
	Regulatory policy legal framework is strengthened.	0	2020	0	0	1	2	3	4	4
	Public administration guide is adapted and digitized.	0	2020	0	0	1	1	1	1	1
	Targeted administrations tested and developed multiservice facilities equipped with digital terminals to complete online procedures.	0	2020	0	1	2	3	4	4	5
	The existing national portal of public services called service-public.ma is upgraded.	1	2020	0	1	2	3	4	4	5
Output 2: <u>Key priorities identified to promote digitization and the development of the digital economy in rural areas</u>	A portfolio of high potential solutions is mapped and updated based on field action research.	0	2020	0	0	1	1	2	3	3
	Market needs, trends, and projected market growth and trends study is carried out.	0	2020	0	0	1	1	2	3	3
	Strategic foresight is applied, and insights are extracted for a better understanding of what the future holds in terms of boosting green cooperatives.	0	2020	0	0	0	1	1	1	1
Output 3: <u>Digital transformation of 40 women-led cooperatives supported.</u>	Small scale qualitative research is conducted (0,1)	0	2020	0	0	1	1	1	1	1
	Evidence collection to help understand women's specific financial needs									
	Mobile money two incentivizing experiments and nudges are conducted	0	2020	0	0	1	1	1	1	1

⁶ It is recommended that projects use output indicators from the Strategic Plan IRFF COVID-19 indicators, as relevant. Due to the nature of the COVID-19 response work, quarterly milestones and targets are recommended. Monitoring will be conducted using the COVID-19 Monitoring Dashboard. Reporting will be streamlined into the COVID-19 reporting exercise (mini-ROAR and COVID-19 indicators.) No separate reporting will be required for rapid

EXPECTED OUTPUTS	OUTPUT INDICATORS ⁶	BASELINE		MILESTONES AND TARGETS						
		Value	Year	2020	2021				2022	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
	An ethnographic study is performed and provided to the cooperatives.	0	2020	0	0	1	2	2	2	2
	A caravan approach is put into place and 25 rural women grassroots innovators who have the potential to serve as digital ambassadors are hired.	0	2020	0	0	1	1	1	1	1
	Local virtual platform is created and made available to cooperatives employees, members and even other audiences.	0	2020	0	0	1	1	2	2	2
	Virtual concept store that would help market unique local products and services to other regions is developed.	0	2020	0	0	1	1	2	2	2