

Ex-Ante Evaluation
Middle East Division I, Middle East and Europe Department
Japan International Cooperation Agency

1. Name of the Project

Country: Kingdom of Morocco (Morocco)

Project: Development Policy Loan for Universal Health Coverage

Loan Agreement: September 20, 2024

2. Background and Necessity of the Project

(1) Current status and issues of the health sector in the country and the positioning of this project in Morocco

In the Kingdom of Morocco (hereinafter “Morocco”), as a result of efforts to improve health and medical services since the 2010s, the maternal mortality rate has improved from 142 in 2004 (100,000 live births) to 70 in 2017 (WB, 2022), reaching the SDG target (70). However, disparities of the mortality rate between urban and rural areas have emerged. In rural areas, the challenges of access to and quality of health care services are serious and require improvement. For example, the maternal mortality rate was twice as high in rural areas in 2010, 73 in urban areas and 148 in rural areas (National Population and Family Health Survey ("ENPSF") , 2011). While the mortality rates decreased in 2016 to 45 in urban areas and 111 in rural areas respectively, the gap between urban and rural areas mortality rates widened by about 2.5 times (ENPSF, 2018). One of the factors is that there is still a large disparity of births attended by skilled personnel between urban (96.6%) and rural areas (74.2%) (ENPSF, 2018).

In addition, as for the stunting (chronic undernutrition), which affects 1 in 7 (15%) children under 5 years old in the entire country (ENPSF, 2018), there is also a large disparity between urban (10.4%) and rural areas (20.5%). In rural areas of poorer sanitary environment, exclusive breastfeeding to babies under 6 months are effective as one of the appropriate health behaviors to prevent stunting. However, the percentage of this effort is 34.5% in rural areas, which does not reach the World Health Organization (WHO) target (more than 50%).

One of the backgrounds of these situations lies a shortage of health care workers such as doctors, nurses, and midwives. The number of health care workers is 1.51 per 1,000 population (Morocco Health Plan 2025, 2019), which is extremely low compared to the WHO's target (4.45). There is also a disparity in

the number (density) of health care workers between urban and rural areas; for example, there are 2.28 nurses and midwives per 1,000 population in urban areas, while there are only 0.51 in rural areas (WB, 2017).

On the other hand, in order to improve economic access to healthcare services, Morocco has been developing its health financial protection system. In 2005, a public health insurance program (AMO) for employees of private companies and public institutions was launched. In 2008, the medical assistance for the poor and vulnerable people (RAMED) was piloted and in 2012, its nationwide rollout began, but there are challenges such as identifying beneficiaries and securing financial resources. Meanwhile, informal sector workers, who account for 30% of the population, have not been covered by public health insurance (Ministry of Health, 2018). As a result, the health expenditures by households in Morocco is high as 47% (WHO, 2019), which is higher than the average of 44% in the Middle East and North Africa region. In addition, the "percentage of population spending more than 10% of household expenditure for health care services (i.e., households whose finances were ruined by healthcare expenditures)" is 21% of all households (WB, 2013), which is higher than the regional average (15% (WB, 2015)), indicating a high financial burden of healthcare costs for households. In light of this situation, the Moroccan government is currently implementing a health financial protection reform, with plans to enroll the entire population in the AMO. This will transfer RAMED to the AMO, and informal sector workers will also be able to join the AMO (and will be obligated to do so).

Thus, in the Moroccan health sector, in addition to improving maternal and child health services (including nutrition) especially in rural areas, the dissemination and expansion of health financial protection system to avoid household bankruptcy due to health care expenditures are an important issue and require urgent action.

In order to solve the above issues, the Moroccan government, in its national long-term development plan "New Development Model 2021-2035" (NDM) has set the goal of achieving universal health coverage (UHC) through improving access and quality of health care services as well as establishing health care coverage. The NDM prioritizes the dissemination and expansion of the public health insurance system, the training of healthcare professionals and the improvement of the compensation system for healthcare professionals, the strengthening of public healthcare facilities, and the strengthening of the

healthcare system at the regional level. The "Morocco Health Plan 2025" also focuses on improving access to healthcare services, optimal distribution of healthcare resources, and strengthening governance.

In response to the current situation and challenges in the health sector, the "Development Policy Loan for Universal Health Coverage" (hereinafter referred to as "the Project") will support the implementation of policy reforms to expand and improve the quality of maternal and child health and nutrition services, and to improve health care coverage. It is also considered as a high priority project by the Government of Japan.

(2) Japan's and JICA's Policy Cooperation Policy and the Project in the Health Sector

In the "Basic Design for Peace and Health" (2015), Japan expressed its commitment to strengthen cooperation to achieve UHC. In the May 2016 Ise-Shima Summit Leaders' Declaration and the "G7 Ise-Shima Vision for Global Health," the G7 leaders agreed to work toward achieving UHC, including strong health systems and health crisis preparedness. In December 2017, the first UHC Forum was also held in Tokyo, where government officials from various countries and international organizations adopted the "UHC Tokyo Declaration" to promote UHC. Furthermore, at the G20 Summit in June 2019, a commitment to the " G20 Shared Understanding on the Importance of UHC Financing in Developing Countries: Towards Sustainable and Inclusive Growth" was confirmed. In addition, at the 8th African Development Conference in August 2022, efforts to achieve UHC in Africa were expressed (promotion of UHC and development and strengthening of health financial protection system, development of 35,000 healthcare human resources, improvement of child nutrition for 200 million children, development of 5,000 core nutrition human resources by 2030, etc.).

The Ministry of Foreign Affairs of Japan's Development Cooperation Policy for the Kingdom of Morocco (revised in April 2021) also lists "Health" as a development issue in the priority area of "promoting inclusive and sustainable social development," and the JICA Country Analysis Paper for the Kingdom of Morocco (November 2014) also lists Health as a priority cooperation area. In addition, the Project contributes to the "JICA's Initiative for Global Health and Medicine" as well as the "Improving Nutrition" and "Health" of JICA's Global Agenda. It is also consistent with the policies and analysis of the Cluster Strategy for "Strengthening Quality Continuum of Care for Maternal, Newborn,

and Child Health including the effective use of Maternal and Child Health Handbooks” as well as “Strengthening the health financing system”.

(3) Other Donors’ Activities

The WB has provided development policy loans to improve social protection and health care systems, as well as several performance-based programs for for improving health care services (maternal and child health, early childhood development, etc.) The AfDB is providing financial support for promoting the achievement of universal health coverage and investment in health care facilities. The EU and AFD also provide financial support for social and health care security. In addition, WHO provides assistance to promote the achievement of UHC by improving access to health care and its quality and reducing costs, while the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF) provides assistance to improve the quality of maternal and child health care services. The Project works closely with these donors.

3. Project Description

(1) Project Objective

The objective of the Project is to contribute to the achievement towards Universal Health Coverage (hereinafter referred as “UHC”) in Morocco by improving delivery and quality of maternal and child health and nutrition services as well as improving health financial protection thereby contributing to promoting the economic stability and development efforts in Morocco.

(2) Project Site / Target Area: Throughout all of Morocco

(3) Project Beneficiaries (Target Group)

- Direct beneficiaries (mothers and children under 5 years old in rural areas: about 4 million; health care workers in rural primary health care facilities: about 6,200; students in Superior Institute of Professional Nurses and Health Technicians (ISPITS): about 19,000; people not in the public health insurance system (informal sector workers): about 11 million; and the poor and vulnerable groups transitioning from medical assistance to public health insurance: about 11 million)
- Indirect beneficiaries (all of Morocco: about 37 million people)

(4) Project Components

This Project will use the policy matrix established by JICA and the Moroccan government to contribute to the achievement of UHC through improving delivery and quality of maternal and child health and nutrition services as well as improving health financial protection, based on the Moroccan government's health policy "Morocco Health Plan 2025", etc. The project established operational and effectiveness indicators with a target period of December 2025 and set a total of 22 policy actions that will contribute to the achievement of the indicator targets, and will provide funds in the form of general budget support after evaluating the achievement of the policy actions. Each policy action is shown in the attached policy matrix.

(5) Estimated Project Cost: 27,760 million yen (two tranches to be expected; the disbursement amount for the first tranche is 60% (16,656 million yen) and for the second tranche is 40% (11,104 million yen) of the total amount)

(6) Schedule

Financial support of the Project will commence at the time of L/A signing. The deadline of the achievement of the policy matrix is by the end of September 2022 (first tranche) and by the end of December 2023 (second tranche), and the loan will be disbursed after the achievement of the policy actions for each tranche is confirmed. The Project will be completed upon completion of the loan (scheduled for January 2025).

(7) Project Implementation Structure

- 1) Borrower: The Government of the Kingdom of Morocco
- 2) Executing Agencies: Ministry of Economy and Finance (Ministère de l'Economie et des Finances, hereinafter referred to as "MEF") (implementation of policy actions related to the National Social Security Fund) and Ministry of Health and Social Protection (Ministère de la Santé et de la Protection Sociale, hereinafter referred to as "MSPS") (implementation of policy actions related to the Ministry of Health and the National Health Insurance Agency).

The Direction of Budget of the MEF will coordinate with the MSPS and relevant ministries and agencies for the implementation of the project, prepare progress reports and project completion reports, and generally

coordinate the overall management of the project and policy actions.

Policy actions for the Project will be implemented by the MSPS (other than Policy Actions 10 and 21) and by the MEF (Policy Actions 10 and 21).

(8) Collaboration and Sharing of Roles with Other Donors

1) Japan's Activity: JICA has provided cooperation (Grant and Technical Cooperation, etc.) to the Moroccan health sector in the past (FY2004-2015) in areas such as maternal and child health care, 5S KAIZEN, etc. The Project will utilize the results of these activities (maternal care, newborn mass screening, mother's classes, etc.).

2) Other Donors' Activity: The WB has provided development policy loans to combat the COVID-19 and improve social protection and health care systems, as well as several performance-linked loans for for improving health care services (maternal and child health, early childhood development, etc.) The AfDB is providing financial support for promoting the achievement of universal health coverage and investment in health care facilities. The EU and AFD also provide financial support for social and health care security. This project will be parallel finance of the WB, AfDB, and AFD to promote health financial protection system reforms. In addition, WHO provides assistance to promote the achievement of UHC by improving access to health care and its quality and reducing costs, while the UNFPA and the UNICEF provides assistance to improve the quality of maternal and child health care services. The project will work in collaboration with WHO, UNFPA, and UNICEF to promote expanded provision and improved quality of maternal and child health and nutrition services in particular.

(9) Environmental and Social Consideration / Cross-Sectoral Issues / Gender Category

1) Environmental and Social Consideration

① Category: C

② Reason for Categorization: The Project is deemed to have no undesirable impacts on the environment based on the JICA Guidelines for Environmental and Social Considerations (promulgated in January 2022)

2) Cross-Sectoral Issues: None

3) Gender Category ■ GI (P) (Gender Equality Policy and Institutional Support Projects)

<Reason for classification> As a result of gender analysis conducted through the appraisal process, gender-based issues were identified, such as the disparity of births attended by skilled personnel between urban and rural areas. The indicators of the Project is “the percentage of births attended by skilled personnel in rural areas” and the “percentage of total population enrolled to compulsory health insurance”. The Project is to improve delivery and quality of maternal and child health and nutrition services by such as implementation of training of trainers on the new prenatal care model (including the mother’s class approach) as well as to improve health financial protection.

(1 0) **Other Important Issues:** None

4 . Targeted Outcomes

(1) Quantitative Effects

1) Outcomes (Operation and Effective Indicators)

Indicator	Baseline (Actual value)	Target value (2025) [Two years after completion of the project]
Percentage of births attended by skilled personnel in rural areas (SDG 3.1.2)	74% (2018)	80%
Percentage of babies under 6 months with exclusive breastfeeding in rural areas	35% (2018)	40%
Number of graduates from Superior Institute of Professional Nurses and Health Technicians (ISPITS) (per year)	2,609 persons (2021)	5,200 persons
Percentage of total population enrolled to compulsory health insurance	70% (2020)	90%

2) Impact: "Maternal mortality rate (SDG indicator 3.1.1)," "Neonatal mortality rate (SDG indicator 3.2.2)," "Prevalence of stunting among children under 5 (SDG 3.2.1)," and "Percentage of population spending more than 10% of household expenditure for health care services (SDG 3.8.2)"

(2) **Qualitative Effects:** Improved coordination among multiple ministries for

the promotion of UHC, increased satisfaction with public healthcare services, improved confidence in the health financial protection system and promotion of socioeconomic stability and social development.

(3) **Internal Rate of Return:** No IRR will be calculated as this Project is a Development Policy Lending.

5 . External Factors and Risk Control

(1) Preconditions / External Factors: N/A

6 . Lessons Learned from Past Projects

The ex-post evaluation of the "Energy Sector Reform Program (II)" (evaluation year: 2017) in Pakistan pointed out that, in order to concretely support the policy actions proposed in the policy matrix, JICA provided a combination of technical cooperation in specific areas in parallel with the provision of development policy loans, which has led to more effective policy improvements and reforms. Furthermore, the ex-post evaluation results of the "Climate Change Program Loan (I-III)" of the Republic of Indonesia (evaluation year 2014) and other reports indicate that continuing policy dialogue on project monitoring is an important element for the success of development policy lending.

Based on the lessons learned above, this Project will support the achievement of policy actions through the technical cooperation in order to achieve UHC, and will continue regular policy dialogue with the implementing agencies of each policy action by utilizing the steering committee.

7 . Evaluation Results

This project will contribute to the achievement of UHC in Morocco by expanding and improving the quality of maternal and child health and nutrition services and promoting the implementation of policies related to the health financial protection system, in line with Morocco's development challenges and policies and the cooperation policies and analysis of Japan and JICA.

The project will contribute to SDG Goal 2 "Zero hunger" and SDG Goal 3 "Health and well-being for all", specifically Target 2.2 "Reduce malnutrition", Target 3.1 "Reduce maternal mortality", Target 3.2 "Reduce neonatal and under 5 mortality", Target 3.c "Expand health human resources", and Target 3.8 "Achieve UHC". Therefore, there is a strong need to support the implementation of the project.

8 . Plan for Future Evaluation

(1) Indicators to be Used

As indicated in Sections 4.

(2) Future Evaluation Schedule

Ex-post evaluation: 2 years after the project completion

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