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Report No: PAD1613

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 29.4 MILLION

(US\$40.5 MILLION EQUIVALENT)

TO THE

WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)

FOR A

REGIONAL PROGRAM TO HARMONIZE AND MODERNIZE LIVING CONDITIONS
SURVEYS

March 8, 2016

Poverty and Equity
Africa
AFRIWA

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CURRENCY EQUIVALENTS
(Exchange Rate Effective January 2016)

Currency Unit = US\$
CFAF 604 = US\$1
SDR 0.7243752 = US\$1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AFRISTAT	<i>L'Observatoire Économique et Statistique d'Afrique Subsaharienne</i> , Economics and Statistical Observatory for Sub Saharan Africa
AfDB	African Development Bank
CAPI	Computer Assisted Personal Interview
CAS	Country Assistance Strategy
CPS	Country Partnership Strategy
CQS	Selection Based on the Consultants' Qualifications
DHS	Demographic and Health Survey
DPE	<i>Departement des Politiques Economiques et de la Fiscalite interieure</i> , Department of Fiscal and Economic Policies
FM	Financial Management
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GDDS	General Data Dissemination System
IC	Individual Consultants
ILO	International Labour Organization
ICB	International Competitive Bidding
IFR	Interim Financial Report
INSAE	<i>Institut National de la Statistique et d'Analyse Economique</i> , National Institute of Statistics and Economic Analysis
LSMS-ISA	Living Standards Measurement Study-Integrated Surveys on Agriculture
MECOVI	<i>Programa para el Mejoramiento de las Encuestas de Hogares y la Medicion de Condiciones de Vida</i> Regional Program for the Improvement of the Surveys and Measurement of Living Conditions in Latin America and the Caribbean
MICS	Multi-indicator Cluster Survey
NCB	National Competitive Bidding
NSI	National Statistical Institute
PAC	Project Advisory Committee
PIU	Project Implementation Unit
RIAS	Regional Integration Assistance Strategy for Sub-Saharan Africa
SBD	Standard Bidding Documents
SDG	Sustainable Development Goal
SSS	Single-Source Selection
TFSCB	Trust Fund for Statistical Capacity Building
TA	Technical Assistance
WAEMU	West African Economic and Monetary Union

Regional Vice President:	Makhtar Diop
Country Director:	Rachid Benmessaoud
Senior Global Practice Director:	Ana L. Revenga
Practice Manager:	Pablo Fajnzylber
Task Team Leaders:	Johannes Hoogeveen; Prosperere Backiny- Yetna; Diane Steele

WAEMU
Regional Program to Harmonize and Modernize Living Conditions Surveys Project

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PAD DATA SHEET

Western Africa

Regional Program to Harmonize and Modernize Living Conditions Surveys (P153702)

PROJECT APPRAISAL DOCUMENT

AFRICA

GPV01

Report No.: PAD1613

Basic Information			
Project ID P153702	EA Category C - Not Required	Team Leader(s) Johannes G. Hoogeveen; Prosper Backiny-Yetna; Diane Steele	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [X]		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 29-March-2016	Project Implementation End Date 30-June-2021		
Expected Effectiveness Date 27-May-2016	Expected Closing Date 31-December-2021		
Joint IFC No			
Practice Manager/Manager Pablo Fajnzylber	Senior Global Practice Director Ana L. Revenga	Country Director Rachid Benmassaoud	Regional Vice President Makhtar Diop
Beneficiary: West African Economic and Monetary Union (WAEMU)			
Responsible Agency: West African Economic and Monetary Union (WAEMU) Commission			
Contact: Telephone No.:	Bakary Sacko 226-25 31 88 73/76	Title: Email:	Director of Statistics bsacko@uemoa.int
Project Financing Data(in US\$, millions)			
[]	Loan	[X]	IDA Grant
[]	Credit	[]	Grant
[]		[]	Guarantee
[]		[]	Other
Total Project Cost:	40.5	Total Bank Financing:	40.50

Financing Gap:	0.00									
Financing Source										
										Amount
BORROWER/RECIPIENT										0
International Development Association (IDA)										40.50
Total										40.50
Expected Disbursements (in US\$, millions)										
Fiscal Year	2016	2017	2018	2019	2020	2021	–	–	–	–
Annual	0.50	18.00	2.50	2.00	17.00	0.50	–	–	–	–
Cumulative	0.50	18.50	21.00	23.00	40.00	40.50	–	–	–	–
Institutional Data										
Practice Area (Lead)										
Poverty and Equity										
Contributing Practice Areas										
Cross Cutting Topics										
[] Climate Change										
[X] Fragile, Conflict & Violence										
[X] Gender										
[X] Jobs										
[] Public Private Partnership										
Sectors / Climate Change										
Sector (Maximum 5 and total % must equal 100)										
Major Sector	Sector				%	Adaptation Co-benefits %	Mitigation Co-benefits %			
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector				20					
Public administration, law, justice	Public administration, information, communication				55					
Education	General education sector				10					
Energy and mining	General energy sector				5					
Health and other social services	Health				10					
Total					100					

<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.		
Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Economic management	Economic statistics, modeling and forecasting	100
Total		100
Proposed Development Objective(s)		
The PDO is to support the WAEMU Commission at strengthening the capacity of its member countries to conduct living conditions surveys that meet harmonized, regional standards and to make the collected micro-data publicly accessible.		
Components		
Component Name	Cost (US\$, millions)	
Component 1: Capacity building and survey harmonization and modernization through data collection and dissemination	36.3	
Component 2: Quality control and coordination	4.2	
Systematic Operations Risk-Rating Tool (SORT)		
Risk Category	Rating	
1. Political and Governance	Substantial	
2. Macroeconomic	Low	
3. Sector Strategies and Policies	Substantial	
4. Technical Design of Project or Program	Moderate	
5. Institutional Capacity for Implementation and Sustainability	High	
6. Fiduciary	Substantial	
7. Environment and Social	Low	
8. Stakeholders	Low	
9. Other		
OVERALL	Substantial	
Compliance		
Policy		

Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]	
Does the project require any waivers of Bank policies?	Yes []	No [X]	
Have these been approved by Bank management?	Yes []	No []	
Is approval for any policy waiver sought from the Board?	Yes []	No [X]	
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []	
Safeguard Policies Triggered by the Project			
	Yes	No	
Environmental Assessment OP/BP 4.01		X	
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12		X	
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	
Legal Covenants			
Name	Recurrent	Due Date	Frequency
The Recipient shall, not later than three months after the Effective Date, recruit an accountant in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement. (FA section II, B.4)		Not later than three months after effectiveness	
The Recipient shall, not later than three months after the Effective Date, designate a procurement specialist with qualifications, experience and terms of reference acceptable to the Association. (FA section III, E.)		Not later than three months after effectiveness	
The Recipient shall carry out semi-annual internal audits under terms of reference satisfactory to the Association, and furnish the related risk-based internal audit reports to the Association not later		Not later than 45 days after the end of the semester	Biannual

than forty-five (45) days after the end of each audited period. (FA section II, B.5)				
Conditions				
Source Of Fund	Name	Type		
IDA	FA: article 5, para. 5.01	Effectiveness		
Description of Condition:				
The Recipient has designated a Project coordinator with qualifications, experience and terms of reference acceptable to the Association.				
Source Of Fund	Name	Type		
IDA	FA: section IV, para. B 1(b)	Disbursement		
Description of Condition:				
No withdrawal shall be made under Category (1), unless and until the Recipient has adopted a Project Operations Manual in accordance with the provisions of Section I.C.1 of Schedule 2 to the Financing Agreement.				
Source Of Fund	Name	Type		
IDA	FA: section IV, para. B 1(c)	Disbursement		
Description of Condition:				
No withdrawal shall be made under Category (2)(a), unless and until the Recipient has executed a Subsidiary Agreement with each PIE, in accordance with the provisions of Section I.B of Schedule 2 to the Financing Agreement.				
Source Of Fund	Name	Type		
IDA	FA: section IV, para. B 1(d)	Disbursement		
Description of Condition:				
No withdrawal shall be made under Category (2)(b), unless and until the Recipient has published data from phase 1 of the harmonized living conditions survey under Part 1(b)(i) of the Project in a timely fashion and in a manner acceptable to the Association.				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Johannes G. Hoogeveen	Team Leader (ADM Responsible)	Lead Economist		GPV01
Prosper Backiny-Yetna	Co-Team Leader	Senior Economist		GPV01
Diane Steele	Co-Team Leader	Household Survey Coordinator		DECSM
Felicien Accrombessy	Survey Specialist	Senior Economist/statistician		GPV01

Djibril Ndoye	Survey Specialist	Economist/statistician		GPV01
Kathleen Beegle	Team Member	Lead Economist		AFCW1
Arthur Shaw	CAPI Specialist	ETC		DECSM
Bourama Diaite	Procurement Specialist	Senior Procurement Specialist		GGODR
Mamata Tiendrebeogo	Procurement Specialist	Senior Procurement Specialist		GGODR
Lanssina Traore	Procurement Specialist	Procurement Specialist		GGODR
Suzane Rayaisse	Procurement Specialist	Procurement Assistant		AFMBF
Ngor Sene	Financial Management Specialist	Financial Management Specialist		GGO13
Patrick Umah Tete	Financial Management Specialist	Senior Financial Management Specialist		GGO25
Christine Makori	Counsel	Senior Counsel		LEGAM
Anders Jensen	M&E Specialist	Senior Monitoring and Evaluation Specialist		GPSOS
Frode Davanger	Team Member	Senior Operations Officer		DFIRM
Faly Diallo	Team Member	Financial Officer		WFALA
Senait Kassa Yifru	Team Member	Program Assistant		GPV01
Martin Buchara	Team Member	Program Assistant		GPV01
Monthe Biyoudi	Team Member	Senior Operations Officer		AFCE1

Extended Team

Name	Title	Office Phone	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo	All provinces	All locations	X		Household surveys will be representative at the national and first administrative level and will be implemented across the 8 nations.

Consultants (Will be disclosed in the Monthly Operational Summary)

Consultants Required? Consultants will be required

I. STRATEGIC CONTEXT

A. Regional Context

1. **The eight member states of the West African Economic and Monetary Union (WAEMU) address some of the most pressing and intractable development challenges.** The WAEMU is a regional organization established in 1994 to deepen economic integration in West Africa. Its members are Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. All the WAEMU nations except Senegal and Côte d'Ivoire (which are lower-middle-income countries) belong to the group of low-income economies. Per capita gross domestic product (GDP) varies from US\$415 (current US\$) in Niger to four times as much (US\$1,529) in Côte d'Ivoire. Three members (Mali, Burkina Faso, and Niger) are located in the Sahel; four countries are classified as fragile (Côte d'Ivoire, Guinea-Bissau, Mali, and Togo); two were affected by a conflict or coup d'état in the past three years (Mali and Burkina Faso); there is continued insecurity in Mali, Burkina Faso, and Niger; and all the WAEMU member states face serious challenges reducing poverty. With a total population in 2014 of 108 million, 43 million live below the extreme poverty line. The coastal WAEMU members (Benin, Togo, Côte d'Ivoire, Guinea-Bissau, and Senegal) are affected by patterns of development that are very unequal, with growth occurring at the coast and with pockets of deep poverty away from the sea; the Sahelian countries face their own inequities with large sub-populations that are nomadic or seminomadic and hard to reach for public service delivery.

2. **Reducing poverty in a setting with so many challenges requires informed policymaking;** limited budgets make it even more critical that the correct policies are selected and that their implementation is effectively monitored. Reliable statistics are instrumental to this. They describe the reality of people's everyday lives and can highlight where resources are most needed and provide the means to track progress and assess the impact of different policies. Statistics are essential to effectively manage the delivery of basic services. How else will it be possible to know where to build the next school or whether girls are as successful at school as boys? Good statistics improve the transparency and accountability of policymaking, both of which are essential for good governance, by enabling electorates to judge the success of government policies.

3. **The importance of statistics as well as the need to be efficient and cost-effective when it comes to collecting data is recognized in the region and by the WAEMU Commission.** All WAEMU members subscribe to the General Data Dissemination System (GDSS)¹ and have prepared National Statistical Development Strategies that are being implemented.² At the regional level, statistical harmonization efforts are coordinated by the WAEMU Commission. To facilitate regional economic integration, work has been ongoing to make GDP estimates comparable,

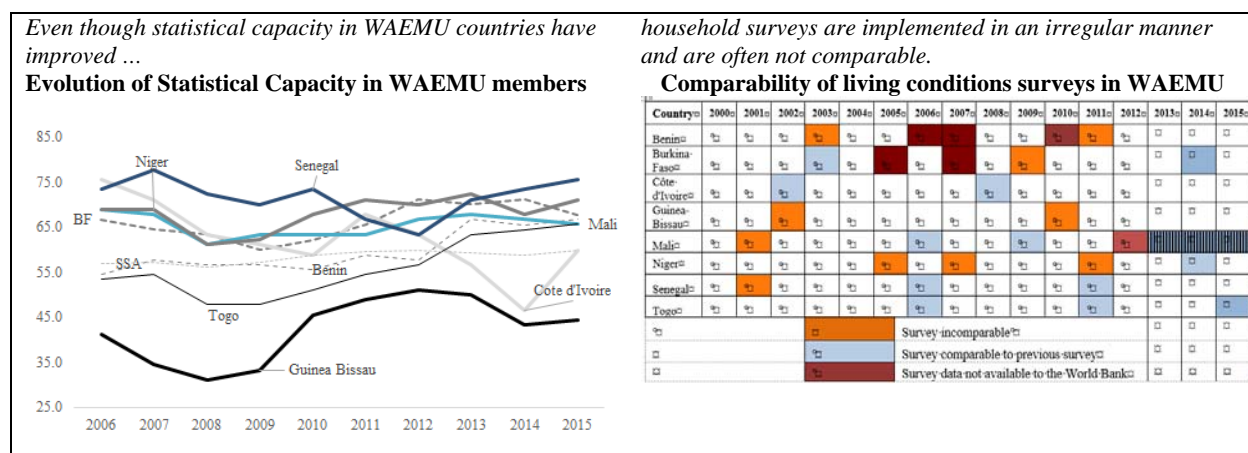
¹ The GDSS is supported by the IMF and focuses on assisting countries to formulate comprehensive, but prioritized, plans for improvement in compilation and dissemination practices. To provide a framework for improving statistical systems, the GDSS sets out objectives for data production and dissemination in four dimensions related to the production and dissemination of economic, financial, and socio-demographic data: data coverage, periodicity and timeliness; quality of the data; integrity of the data and access by the public.

² All WAEMU member states have developed National Statistical Development Strategies except for Guinea Bissau where it is under preparation. Without fail these frameworks, which have been endorsed at the cabinet level, identify welfare surveys as core to the national statistical system, while pointing toward capacity issues and difficulty to find regular funding to sustain this essential component of the system.

harmonize price indices, unify the reporting of financial and budgetary statistics, and improve social statistics. These efforts are paying off. Statistical capacity in the WAEMU zone is higher than in Sub-Saharan Africa on average and since 2010, there has been a notable improvement in the statistical capacity indicators of most WAEMU member states (figure 1). This increased statistical capacity contributes positively to the likelihood of success of the proposed project.

4. **The priority given by the WAEMU Commission to the harmonization of statistics makes the Commission an attractive partner.** As an important user of statistics, the WAEMU Commission regularly expresses its interest in high-quality data from its member states. In doing so, the WAEMU complements national demand-side argument for good statistics. The Commission’s ability to reduce donor fragmentation, its convening power, and ability to ensure that agreed methodologies are implemented by its members, make the Commission an attractive partner for collaboration.

Figure 1. Statistical Capacity and Survey Comparability in WAEMU Member States



Source: World Bank Indicators, 2014³ and World Bank staff estimates.

5. **Despite significant efforts to improve statistical capacity, many areas of statistics remain weak, including living conditions surveys.** Well-designed surveys are critical to any statistical system. As national and regional economic policies and complex interactions among various sectors of the economy make it imperative to build up macroeconomic planning models, living conditions surveys provide much of the statistical information needed (consumption, labor supply, nonagricultural household enterprises, and input parameters for agricultural production). For the monitoring of inflation, information is needed on the composition of consumption; information that is collected by living conditions surveys. These surveys are also critical in generating social statistics; statistics on education, health, population characteristics, sanitation, and water supply and poverty statistics can all be derived from well-designed living conditions surveys.

B. Sectoral and Institutional Context

6. **The WAEMU was founded in 1994.** The eight WAEMU countries share a common currency—the West African CFA Franc—monetary policies, and French as the official language,

³ <http://datatopics.worldbank.org/statisticalcapacity/SCIdashboard.aspx>.

except for Guinea-Bissau which is a Portuguese-speaking country. The objective of the Union is to promote regional economic integration, particularly, greater economic competitiveness; the convergence of macroeconomic policies and indicators; the creation of a common market; the coordination of sectoral policies and the harmonization of fiscal policies. Among its achievements, the Commission has successfully implemented macroeconomic convergence criteria and an effective macroeconomic surveillance mechanism. It has adopted a customs union with a common external tariff and has combined indirect taxation regulations, in addition to initiating regional, structural, and sectoral policies.

7. **To implement its policies, the WAEMU Commission needs data that is comparable across its member states.** As this is often not the case, the WAEMU Commission has put much emphasis on data harmonization. Already the WAEMU Commission has successfully led the harmonization of price data collection leading to the availability of comparable inflation data for its member states. It has also harmonized national accounts statistics, the nomenclature for public financial management and implemented harmonized informal sector surveys across its member states.

8. **To strengthen its statistical agenda, in 2013, the WAEMU Commission created a Regional Statistical Committee.** This Committee oversees the exchange of statistical information across its member states. The Committee is facilitated by a Statistics Department housed at the WAEMU headquarters in Ouagadougou, Burkina Faso. Its work program is guided by the Regional Statistical Program (*Programme Statistique Regionale 2015–2020*). This program was adopted in July 2015 by the ministers of Finance of the various member states (Decision No. 09/2015/CM/UEMOA), thus demonstrating the interest in strengthening the quality of statistics in the subregion. The program identifies social statistics and information on household living conditions and sources of income as one of the two areas in which statistical information in the WAEMU region needs to be improved. The other area in which improved statistical information is sought is on external trade (in services in particular).

9. **Despite numerous country-level efforts by governments and the international community, living conditions surveys are not implemented regularly nor are they comparable over time or across countries.**⁴ Moreover, many of the latest developments in survey design (modular, multitopic questionnaires) and implementation (use of tablets and global positioning systems) are not being implemented systematically. For instance, the typical living conditions survey in a WAEMU member state collects welfare correlates (consumption, health, education) but fails to collect detailed information on how income is generated (labor income, self-employment in nonagricultural sectors, agriculture). When consumption information is collected, it is often not comparable over time because consumption questions are asked in a different manner (diary versus recall), the reference period changes, the survey is implemented at a different time during the year, or questions are asked about different items. In addition, the Computer Assisted Personal Interview (CAPI) software is not used systematically, limiting opportunities for supervision and increasing non-sampling errors.

⁴ Multi-indicator Cluster Survey (MICS) and Demographic and Health Survey (DHS) are comparable across countries but focus only on aspects of health and fertility.

10. **Comparable data at the WAEMU level requires a modern and coherent system of living conditions surveys coordinated by the WAEMU Commission and implemented by national statistical offices.** Monitoring living conditions and sources of income using surveys is complex and costly and many governments prefer to rely on donors to fund data collection. This leads to a situation where donor preferences tend to be reflected in survey design, which, in turn, makes it difficult to maintain comparability between surveys. In addition, because human resources are limited, some information is not collected at all (information related to agriculture for instance) while poverty indicators are not always produced consistently and on time. Data are not always adequately analyzed, archived, and disseminated. As this is the case, it strengthens the decision makers' conviction that living conditions surveys do not provide value for money. It has created a vicious cycle of limited funding, leading to statistics which are not always of good quality and reduced quality statistics sustaining low funding. In their various National Statistical Development Strategies, countries have indicated the desire to break this cycle, but doing so on a country-by-country basis has proved to be difficult. This is where the WAEMU Commission comes into play. As a supranational regional body the WAEMU Commission is not only an important user of statistics, it also has the convening power and mandate to involve itself in the improvement of statistics without a loss of country ownership. Under the leadership of the WAEMU Commission, price statistics, national accounts, and financial statistics have already been harmonized successfully.

11. **Realizing the critical nature of living conditions surveys to their statistical systems and in view of the mandate and ability of the WAEMU Commission to coordinate and oversee harmonized approaches to data collection, member states—through their National Statistical Institutes (NSIs)—have asked the Commission to initiate a program leading to the modernization of living conditions surveys.** The WAEMU Commission subsequently requested the Bank, as guardian of living conditions surveys, to support an initiative to improve living conditions surveys in the subregion. The objectives are to enhance efficiency, comparability (over time and across countries), and regularity of living conditions surveys, as well as to enhance timeliness and data access while collecting data that are critical to monitoring poverty and its key determinants (education, agriculture, the informal economy, labor supply).

12. **A regional approach has multiple advantages.** It allows introducing improved standards in a way that would be very difficult if a country-by-country approach were followed. It facilitates peer learning and information exchange, ensures that data are comparable across countries, and facilitates a minimum periodicity at which data are collected. A regional approach brings efficiency gains and unlocks new opportunities for financial sustainability, including through the creation of a pooled fund. Moreover, by working with an important supranational user of statistics the demand for quality statistics is sustained.

13. **Improved welfare data will be used to facilitate regional economic integration; monitor key social indicators; expand the coverage of the harmonized Consumer Price Index to rural areas; update the supply and use tables that underlie national accounts; and collect high-quality, comparable data on the informal sector and agriculture.** The project will introduce the latest standards in survey methodology: modular approaches that allow for flexibility; questions that allow for gender disaggregation; standardization that ensures comparability; and the preparation of sample frames to enable high-frequency follow-up data collection using mobile phones. The project will also introduce the latest technologies for data

capture, including in-field data entry using CAPI, the use of global positioning systems, and real-time consistency checks. Not only will the project modernize the approach to living conditions surveys, it will build capacity in data collection, analysis, and dissemination through a ‘learning-by-doing’ approach and seek ways to secure long-term funding so as to create a data collection system that is sustained once the project has been completed.

C. Higher Level Objectives to which the Project Contributes

14. **The project is aligned with the post-2015 development agenda.** By modernizing the collection of welfare and income data starting in 2017 and by producing harmonized poverty and (selected) Sustainable Development Goal (SDG) estimates, the project is aligned with the post-2015 development agenda (adopted in September 2015) and the Bank’s twin goals of fighting poverty and fostering shared prosperity, particularly its intention to closely monitor progress toward achieving these goals by ending data deprivation.⁵ The project is also aligned with the Bank Strategy for Africa and its objective to accelerate Africa’s economic transformation, particularly by “building and strengthening statistical capacity [...] as a long-term undertaking.”⁶

15. **The project helps implement the Regional Integration Assistance Strategy for Sub-Saharan Africa (RIAS).** The RIAS is organized around three main pillars: (a) regional infrastructure, (b) institutional cooperation for economic integration, and (c) coordinated interventions to provide regional public goods. This project contributes to attaining the second and third pillar by collecting data that facilitates the WAEMU Commission in achieving its objective of strengthening regional economic integration. By making the collected data publicly available, an important public good is being provided as well. By generating data critical to national and regional level planning and monitoring, the project is also instrumental to attaining one of the additional objectives of the RIAS, namely strengthening the connection between regional policy commitments and national planning.

16. **The project reflects priorities emphasized in Bank country strategies for the various WAEMU member states.** Invariably their Country Assistance Strategies, Country Partnership Strategies (CPSs), and Interim Strategy Notes identify weaknesses in statistics as a problem for the effective monitoring of Poverty Reduction Strategy Paper implementation. For instance, the Benin CPS for the period FY13–17 identifies, under the component on Governance and Public Sector Capacity, the need to provide technical assistance (TA) and capacity building to the National Institute of Statistics and Economic Analysis (*Institut National de la Statistique et d’Analyse Economique* [INSAE]). For Niger, the CPS for the period FY13–16 identifies the need to support the INSAE to boost capacity in the collection of quality living conditions survey data and monitoring of service delivery. The Mali Country Partnership Framework FY16–19 highlights the need to improve the quality of statistics and to invest in a household survey program.

17. **The project is aligned with the WAEMU regional statistical program (2015–2020).** This program has four axes: (a) consolidate gains realized in statistical harmonization; (b) improve statistics related to trade; (c) improve social statistics, particularly through a 1-2-3 type household

⁵ <http://www.worldbank.org/en/news/press-release/2015/10/15/world-bank-new-end-poverty-tool-surveys-in-poorest-countries>.

⁶ World Bank. 2011. *Africa’s Future and the World Bank’s Support to It*. Washington, DC: World Bank. www.worldbank.org/afriastrategy.

survey; and (d) strengthen coordination among member states and with regional and international bodies. This project allows the operationalization of the third axis (the modular living conditions survey that is envisaged is of the 1-2-3 type), while it reinforces the fourth.

18. **An inclusive and collaborative approach helps avoid duplication.** Welfare surveys tend to be sponsored by different institutions, which do not always communicate well, leading to the risk of a duplication of efforts. An inclusive and collaborative process that brings together NSIs and main survey financiers under the WAEMU Commission's guidance minimizes this risk. The fact that the Bank's project team comprises all poverty economists working on WAEMU member states and staff working on Living Standards Measurement Study-Integrated Surveys on Agriculture surveys reinforces this. Already an African Development Bank (AfDB) sponsored survey for Guinea-Bissau, planned for 2016, has been replaced by the harmonized WAEMU survey. Planned LSMS-ISA surveys for Burkina Faso and Mali will be adapted to fit the harmonized survey format and calendar while maintaining their focus on detailed agricultural data collection (through a separate wave). In Mali, the quarterly EMOP-survey will integrate the WAEMU survey in one of its four annual rounds—thereby replacing the current consumption module with the harmonized module.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

19. The development objective of this project is to support the WAEMU Commission at strengthening the capacity of its member countries to conduct living conditions surveys that meet harmonized, regional standards and to make the collected micro-data publicly accessible.

B. Project Beneficiaries and Approach

20. **The major beneficiary of the project is the WAEMU Commission**, which will use the data to further its regional integration agenda. In addition, data users and producers in all WAEMU member states are beneficiaries, including: (a) the Poverty Reduction Strategy Paper units, Ministries of Agriculture, and other policymakers and planners in the public and private sectors, including civil society organizations; (b) the NSIs, particularly those working on the SDGs, and national accounts (informal sector and agriculture); (c) researchers and academia; (d) international, regional, and global organizations and entities; and (e) members of the general public.

21. The approach adopted by the project is that of learning by doing and the project finances the implementation of two living conditions surveys in each WAEMU member state. The project will have succeeded in strengthening capacity when the data produced are of high quality (that is, they meet harmonized, regional standards), if they have been collected using CAPI approaches, and if they are publicly available.

C. PDO Level Results Indicators

- (a) WAEMU member states which completed the collection of harmonized living conditions surveys that made the anonymized micro-data available to the public through the WAEMU website.
- (b) WAEMU member states that completed a 2nd living conditions survey according to

harmonized, regional standards by December 2020.

- (c) Submission to the WAEMU's Council of Ministers of a ruling committing all member states to apply WAEMU living conditions survey standards with respect to methodology, contents, and periodicity.

22. The target for the third PDO indicator is data released within six months after the completion of data collection. Data from the first survey round will need to be released within 10 months of completing data collection.

23. **The following are intermediary outcomes:**

- (a) Draft standardized questionnaires, disaggregated by gender are reviewed by data users.
- (b) Standardized living conditions survey instruments and manuals are adopted by the NSIs of all eight WAEMU member states.
- (c) Regional capacity-building events.
- (d) Statistical abstracts with selected official welfare statistics for WAEMU countries and the region are published by the WAEMU Commission.
- (e) WAEMU member states that archive their harmonized living conditions surveys.
- (f) Living conditions surveys that have been subject to quality review by peers and by independent external parties.

III. PROJECT DESCRIPTION

A. Project Components

24. Project activities comprise (a) capacity building and survey harmonization and modernization through data collection and dissemination and (b) quality control and coordination. The project will be carried out through two components with an IDA grant of US\$40.5 million equivalent.

Component 1. Capacity Building and Survey Harmonization and Modernization through Data Collection and Dissemination (US\$36.3 million equivalent)

25. While the end goal is the public availability of high-quality living conditions data that can be used for regional and national planning purposes, achieving it requires harmonizing survey instruments and modernizing the approaches to data collection, data processing, and archiving. At the core of this is capacity building. It will happen in various ways: through collaborative work (for instance on questionnaire design); through dedicated regional and national training events (for instance to introduce CAPI); by making TA available in the form of resident advisors; and foremost, by collecting data (learning-by-doing). In all instances, the project will actively explore the options for South-South learning and learning from peers.

26. Three subcomponents are distinguished.

Subcomponent 1.1. Capacity building to harmonize and modernize data collection, processing, archiving, and dissemination (US\$2.7 million equivalent)

27. This component encompasses all regional and national training events that lead to the design and adoption of a modernized and harmonized set of living conditions survey tools. This includes instrument design and testing, the preparation of manuals as well as protocols to check data consistency and data cleaning. Training workshops will also be organized to agree on the approach to compile consumption and income aggregates, the setting of poverty lines, and the calculation of core living standard statistics. Under this component fall activities leading to the adoption of CAPI for data collection and capacity building in data archiving and disseminating micro-data.

28. An important lesson from previous capacity-building programs is that capacity building should be long term and focused on concrete outputs. This component incorporates this lesson by ensuring that capacity-building events produce concrete outputs such as harmonized survey instruments, poverty estimates, or CAPI programs.

Subcomponent 1.2. Capacity building by implementing two surveys in each country (US\$32.0 million equivalent)

29. A critical lesson from the Regional Program for the Improvement of the Surveys and Measurement of Living Conditions in Latin America and the Caribbean (*Programa para el Mejoramiento de las Encuestas de Hogares y la Medicion de Condiciones de Vida [MECOVI]*) project (see box 1), the DHS, and the MICS is that comparable data requires harmonization of methodologies and funding to ensure that experience is created with the implementation of the newly designed surveys. This component provides the funding to put the new approaches into practice and to ensure that the WAEMU Commission is in a position to compile a regional database with comparable national data sets.

30. The component funds two surveys in each WAEMU member state. To ensure comparability, the surveys will be fielded simultaneously in 2017 and 2020.

Subcomponent 1.3. Capacity building through resident advisors, technical assistance, and peer-to-peer learning (US\$1.6 million equivalent)

31. For the initial round of surveys, resident advisors are made available to each NSI for capacity-building purposes. Following the initial data collection round, the project will switch to a more tailor-made approach. TA may be offered by external experts but will first be sought from fellow NSIs so as to strengthen peer-to-peer learning.

Component 2. Quality Control and Coordination (US\$4.2 million equivalent)

Subcomponent 2.1. Assistance to prepare a ruling pertaining to survey harmonization in the WAEMU (US\$0.5 million equivalent)

32. The Council of Ministers of the WAEMU has the legal power to adopt binding rulings or ‘règlements’.⁷ This component facilitates the Commission in the preparation of such a ruling relative to the harmonization of living conditions surveys. If adopted, it will ‘lock in’ the methodological approach and survey periodicity (thus obliging countries to ensure funding is available for future survey rounds).

33. This component also facilitates the operationalization of a donor-coordination mechanism, including a donor-pooled fund to complement financial resources for welfare surveys provided by national budgets.⁸

Subcomponent 2.2. Stimulating micro-data analysis (US\$1.0 million equivalent)

34. The quality of living conditions surveys improves if there is close collaboration between data producers and data users. The project promotes the use of micro-data by offering small stipends to students and staff from regional and international statistical schools, universities, and research centers to produce analysis using the data from the harmonized surveys.

35. To further encourage interaction between data users and producers, two international conferences will be organized by the WAEMU Commission.

Subcomponent 2.3. Modernization of quality control (US\$0.7 million equivalent)

36. To ensure a continuous focus on data quality, a review mechanism is set up to assess each survey. Quality reviews consist in part of peer reviews by the NSIs from the WAEMU member states but will also be carried out by independent reviewers from outside the region.

Subcomponent 2.4. Coordination (US\$2.0 million equivalent)

37. A project implementation unit (PIU) will be integrated in the Statistics Department of the WAEMU Commission. This PIU will be responsible for program management, coordination between NSIs, organizing training events, and monitoring progress. It is responsible for quality control, prepares in-house analysis, and takes the lead in creating an integrated approach to fund living conditions surveys in the subregion. The PIU which will be led by a staff appointed by the WAEMU Commission and will comprise a survey statistician, a data analyst, a CAPI or Information Technology or data quality expert, a financial specialist, a procurement specialist, and support staff.

⁷ Règlement NO 01/2010/CM/UEMOA portant adoption des modalités de calcul de l’indice harmonisé des prix à la consommation au sein des états membres de l’UEMOA (Harmonized Consumption Price Index [*Indice Harmonisé des Prix à la Consommation*] base 2008), which defines harmonized price data collection.

⁸ The AfDB has already agreed to fund one or two positions at the WAEMU for staff to facilitate the implementation of CAPI.

B. Project Financing

38. The project will be financed through an IDA grant of US\$40.5 million equivalent under a Regional Investment Project Financing instrument. The project is to be implemented over a five year period (2016–21). The estimated budget for the different components is detailed.

Project Cost and Financing

	Project cost (US\$, millions equivalent)	IDA financing	% Financing	Implementing Agent
Component 1. Capacity Building and Survey Harmonization and Modernization through Data Collection and Dissemination	36.3	36.3	100	
Subcomponent 1.1. Capacity building to harmonize and modernize data collection, processing, archiving, and dissemination	2.7	2.7	100	WAEMU Commission
Subcomponent 1.2 Capacity building by implementing two surveys in each country	32.0	32.0	100	NSIs
Subcomponent 1.3. Capacity building through resident advisors, technical assistance, and peer-to-peer learning	1.6	1.6	100	WAEMU Commission
Component 2. Quality Control and Coordination	4.2	4.2	100	
Subcomponent 2.1. Assistance to prepare a ruling pertaining to survey harmonization in the WAEMU	0.5	0.5	100	WAEMU Commission
Subcomponent 2.2 Stimulating micro-data analysis	1.0	1.0	100	WAEMU Commission
Subcomponent 2.3. Modernization of quality control	0.7	0.7	100	WAEMU Commission
Subcomponent 2.4. Coordination	2.0(*)	2.0	100	WAEMU Commission
Total	40.5	40.5		

(*) The WAEMU Commission contributes in kind to the financing of coordination activities inter alia by designating a project coordinator, other staff (procurement; statisticians)

C. Lessons Learned and Reflected in Project Design

39. **The limitations of statistics in Africa are increasingly discussed and documented.**⁹ Shanta Devarajan (2013) even coined the term ‘Africa’s statistical tragedy’.¹⁰ Such a harsh assessment comes after a period during which many efforts and resources have gone into statistical capacity building in Africa. In West Africa, these efforts have yielded some results: NSIs in the WAEMU have a statistical capacity that is better than Sub-Saharan Africa on average despite multiple natural and political crises and the fact that three of the eight member states are labelled fragile. Within the zone, a convergence in statistical capacity has occurred. Yet, large differences remain—in part because of the need to rebuild statistical systems following crises.

⁹ Jerven, Morten. 2013b. Comparability of GDP Estimates in Sub-Saharan Africa: The Effects of Revisions in Sources and Methods since Structural Adjustment. *Review of Income and Wealth*. doi 0.1111/roiw.12006.

¹⁰ Devarajan, Shanta. 2013. Africa’s Statistical Tragedy. *Review of Income and Wealth*. doi: 10.1111/roiw.12013.

40. An important evaluation of statistical capacity building is the 2009 Organisation for Economic Co-operation and Development report entitled: ‘Study of Support to Statistical Capacity Building’. The study echoes some of the main lessons from a 2005-International Monetary Fund (IMF) study¹¹ which focused on middle-income countries and presents a comprehensive review of support to statistical capacity building and a number of concrete recommendations on how to make such support more effective. The key lessons are detailed.

41. **The importance of ownership and accountability.** “Ownership is vitally important for statistics in strengthening results management. With limited capacity and resources, the statistics that meet the most pressing needs of country policymaking must be met. The ownership must be much wider than obtaining consent from the government statistics office: it should be ownership from a broad range of stakeholders and very carefully prioritized.” With respect to accountability, the evaluation notes, “at present statistical agencies are largely unaccountable to their governments, or accountable to several donors who have available to them very few sanctions, other than to withdraw funding. The withdrawal of funding by one partner in the presence of a strong demand for data is likely to be replaced by support from another cooperating partner.”

42. **The proposed project takes these lessons into account in various ways.** The project responds to a demand from the WAEMU Commission, which needs the data for its work on regional economic integration and a clearly, and narrowly, identified objective in the Regional Statistical Strategy approved by the governing body (*Conseil des Ministres*) of the WAEMU member states. By setting a regional standard and by creating a pooled funding mechanism, the project enhances the capacity of NSIs to be accountable to its users and to withstand undue donor or national political pressures while at the same time providing a complementary technocratic supranational accountability (and support) mechanism. In the past, such approaches have worked quite successfully as evidenced by the adoption of budget transparency laws (following a WAEMU directive), as well as the introduction of a comparable price data collection and analysis mechanism (the Harmonized Consumption Price Index [*Indice Harmonisé des Prix à la Consommation*]), which are now publicly funded in all member states and report harmonized inflation data on a monthly basis.

43. **Capacity building through workshops does not lead to better statistics.** “... real sustainable impact in offices with qualified staff was achieved by long-term on-the-job support to trained statisticians, either by TA or by twinning arrangements. There was little evidence that workshops or short-term training inputs improved skills, although they proved useful in introducing new ideas or honing well-established skills. To put it in the words of one of the interviewees, “workshops tell you what to do, but not how to do it.” Regional training, when long term and focused on country needs (rather than international ones) was clearly successful.

44. The lessons drawn from this are that to build capacity, long-term TA will need to be offered, which is not focused on the provision of inputs (training, workshops) but on the joint generation of substantive outputs.¹² The project makes a full-time TA available to all eight NSIs

¹¹ Thomas K. Morrisson. 2005. *Statistical Capacity Building. Case Studies and Lessons Learned*. Washington, DC: IMF.

¹² The need to focus on results as opposed to inputs is also stressed in Hoogeveen (2015). *Statistics Reform in Africa: Aligning Incentives with Results*. (2015). Background paper prepared for ‘Poverty in a Rising Africa’ Africa Poverty Report. World Bank, Washington DC.

for on-the-job training and assistance and focuses on learning by doing through the implementation of modern data collection methods. In addition, regional workshops will be organized regularly to introduce new concepts and ideas and to immediately apply them. These capacity-building exercises are thus output focused. Outputs include harmonized survey tools, CAPI software adapted to national needs, harmonized poverty time series, and so on.

45. **Appropriate methods and tools to produce statistics are a necessary input to statistical capacity.** “There are a range of techniques with which statistical information can be collected, transmitted, and analyzed. It is not the case that a technique that is appropriate in one context will be appropriate in another, due to differing infrastructure, economies agro-climatic conditions, and so on. The techniques for measuring crop yields in hilly fields growing a mixture of inter-planted crops differ from those appropriate for flat fields growing a single crop in one growing season.”

46. This project applies this insight by starting with a regional survey design phase during which household welfare (consumption) but also measurement of employment, agricultural, and nonagricultural household enterprises income is adapted to the regional (and national) context. Draft questionnaires will then be subject to a field test in all the WAEMU member states. The project also benefits from positive experiences with the introduction of LSMS-ISA surveys in Niger, Burkina Faso, Mali, and a number of other African countries.¹³

Box 1. Lessons from the MECOVI Program

The MECOVI Program has assisted countries in Latin America to upgrade their capacity to plan and implement living conditions surveys. Some of the key lessons learned from the program, which are incorporated in the design of the Living Conditions Survey Harmonization and Modernization program are the following:

- An active role of the NSIs in their consultation with other stakeholders (sponsors and users) helps create country ownership and accountability.
- Build capacity on top of existing capacity.
- Emphasize building capacity for planning, designing, and executing the surveys instead of just improving the survey instruments.
- Interaction between the producers and users of statistical information increases the viability of the project over time.
- Wide dissemination and democratization of statistical information is essential for engendering trust and confidence in the statistical system that generates it.
- Commitment of the country to the production of high-quality statistical information creates a virtuous circle, better information, more credibility, more utilization of data, more demand, more resources, improved capacity, better information, and so forth.
- Training offered through workshops and courses is essential to enhance the technical capacity as well as for creation of a network of cooperation.
- Horizontal technical cooperation among countries is a practical, economical, and mutually beneficial mechanism for enhancement of NSI capacities.
- Close coordination between sponsoring organizations helps establish priorities and conduct program activities in an integrated manner.

Source: World Bank: <http://go.worldbank.org/9YRH51Z5M0>.

¹³ Carletto, Gero, Dean Jolliffe, and Raka Banerjee. 2015. “From Tragedy to Renaissance Improving Agricultural Data for Better Policies.” Policy Research Working Paper 7150, World Bank, Washington DC.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

47. **The WAEMU Commission is the main implementing agency.** It will facilitate the implementation of capacity-building and finance survey activities in the eight WAEMU member states. The NSIs will enter subsidiary agreements with the WAEMU Commission to implement the living conditions surveys. NSIs will carry out the necessary procurement activities (printing; hiring enumerators; training; transport; purchase of tablets and computers) needed to deliver cleaned, anonymized data sets and statistical abstracts to the project coordinator who, upon verification of whether the set standards have been met, endorses the final payment and publishes the micro-data and statistical abstract on the WAEMU website. The NSIs are encouraged to publicly disseminate the survey's results and to make the data and statistical abstracts publicly available through their own websites. Selected training, TA, and survey activities may be contracted out to private sector or public sector actors (for example, other countries' NSIs). External financial and quality audits will be undertaken by firms or agencies acceptable to the Bank.

48. **To enhance efficiency a PIU is set up to operate within the WAEMU Commission's 'Centre Statistique'.** It is tasked with day-to-day project management and implementation. Operations of the PIU are guided by an Operations Manual, which draws on WAEMU procedures with limited variations to enhance effectiveness and accountability. The PIU is led by the project coordinator, a WAEMU staff nominated by the WAEMU Commission (with no objection from the Bank) and includes a fiduciary specialist, a household survey specialist, a survey analyst, and an information communication technology /CAPI/monitoring /quality control specialist as well as a messenger and an office assistant. A procurement specialist identified by the WAEMU Commission among its staff is also part of the PIU.

49. **Project Advisory Committee (PAC).** A technical PAC comprising director generals of the eight NSIs, donor representatives, and *L'Observatoire Économique et Statistique d'Afrique Subsaharienne* (AFRISTAT) offers advice to the project coordinator and facilitates project monitoring and evaluating progress. The PAC is headed by the chair of the '*Comité Régional de la Statistique*' established March 22, 2013, to offer a context for the exchange of statistical information within the WAEMU. The project coordinator is the secretary to the PAC. The PAC is responsible for, *inter alia*: (a) reviewing and endorsing the project's proposed annual work plan and budget for approval by the WAEMU Commission; (b) reviewing progress made towards achieving the project's objective; (c) facilitating coordination of project activities and removal of any obstacles to the implementation of the project; (d) monitoring and evaluating impacts of project activities; and (e) provision of overall oversight and strategic and policy guidance on matters relating to the project.

50. **Technical subcommittees will be created on an ad hoc basis.** Technical subcommittees operate under the auspices of the PAC and occupy themselves with the methodological aspects of survey design, implementation, analysis, and dissemination. Depending on the nature of the task—questionnaire design, sampling methodology, or CAPI programming—the composition of the Technical Committee will vary. Typically, those invited to a particular regional capacity-building workshop are—de facto—members of the Technical Committee.

51. **Work program and budget allocation.** The project coordinator prepares an integrated multiyear work plan based on the activities proposed by this project. Each year the budgeted work plan is derived from the multiyear plan, submitted to the PAC for review, and then sent to the Bank for approval.

52. **Project policies and procedures** will be published in an Operations Manual, which will need to be approved by the Bank before effectiveness. (Additional arrangements are detailed in annex 3.)

53. **The PAC will meet annually and meetings will be aligned with the regional statistical meetings of the WAEMU.**

B. Results Monitoring and Evaluation

54. **The project's monitoring and evaluation system focuses on accountability for results and close supervision to encourage the timely production of quality data.** It moves beyond the usual tracking of inputs and outputs to focus on intermediate outcomes and processes.

55. **An important element of the approach to monitoring is the introduction of Survey Solutions (CAPI software developed by the World Bank).**¹⁴ During primary data collection (primary data collection will absorb approximately 75 percent of the budget), the Survey Solutions CAPI system will be used. This allows for near real-time monitoring of survey implementation, permits checking progress of individual enumerators and enumeration teams, and reduces the scope for non-sampling error by recording interview location and duration. Moreover, Survey Solutions can run data-consistency quality checks on the fly, thus ensuring improved data quality. A second element is the systematic reliance on peer and independent review of data collection processes and quality.

56. **Functional monitoring and evaluation.** The project results framework covers monitoring for the critical activities. The monitoring indicators are set out in annex 1. Annually, the PAC will review the progress made. Before the PAC review, the project coordinator will review progress with those responsible for the implementation of the survey program in each of the eight NSIs. The reviews will offer opportunities for learning from collective experience, from self-assessments, and through exchanges of success stories and discussions about mistakes or reasons for delays. This dynamic approach is complementary to the project's static results framework. At these periodic workshops, the discussions should go beyond quantitative measurement of progress to focus on qualitative improvements that will help move the project forward.

C. Sustainability

57. Project sustainability revolves around (a) financial sustainability to continue carrying out harmonized surveys upon project completion and (b) technical sustainability, which is related to the ability to continue training, attracting, and motivating staff, to sustain improved capacity to implement complex living conditions surveys.

¹⁴ The project benefits from a Trust Fund for Statistical Capacity Building (TFSCB) grant to support the introduction of CAPI in each of the WAEMU member states.

58. **To ensure financial sustainability**, the Bank team will collaborate closely with the WAEMU Commission (a) to ensure a ruling is adopted, which commits all member states to a common harmonized survey methodology as well as to a certain periodicity of these surveys. This effectively ensures that countries need to commit budgetary resources to survey implementation. In addition—and in view of the reality that some countries may be hard pressed to identify the necessary resources a (b) donor-pooled fund will be set up to enable countries to meet their financial obligations. It is envisaged that national support for statistics as well as donor support will become easier once the project demonstrates the feasibility of collecting and delivering data that are timely, of good quality, and of use to decision makers. This will stimulate the demand for statistics from the government, development partners, civil society, and other stakeholders. The increasing demand for statistical information is, in turn, expected to translate into sustained budgetary support from the government and development partners.

59. **To ensure technical sustainability**, the project will invest in capacity building at the NSIs—particularly by offering in-situ TA by relying on resident advisors, as well as regional capacity-building events that stimulate peer-to-peer learning and which can draw upon regional and international expertise. The project will invest seriously in quality control—by introducing CAPI systems and by introducing peer-review mechanisms and independent quality assessments. As feedback loops are strengthened, in combination with (friendly) pressure from peers, a virtuous cycle of learning–implementation–quality control–learning may emerge, which will contribute to the technical sustainability of the project.

V. KEY RISKS

Table 1. Risks Ratings Summary

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Low
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	High
6. Fiduciary	Substantial
7. Environment and Social	Low
8. Stakeholders	Low
9. Other	–
OVERALL	Substantial

A. Overall Risk Rating and Explanation of Key Risks

60. **The likelihood that the project will fail to deliver two harmonized living conditions surveys over the course of the project in each of the WAEMU countries is low** as the Bank has ample technical expertise to deliver on this objective even in environments where capacity is low. The overall risk rating is still listed as Substantial to reflect risks about the sustainability of the approach beyond the duration of the project.

61. **Political and governance risks are substantial as authorities may not be comfortable with survey results.** Statistical agencies in the WAEMU have limited autonomy (table 2) and it is likely that some of the statistics produced are not considered favorably by domestic stakeholders. This could lead to pressure to change methodologies or to not publish data at all. These risks are mitigated by entering into a regional process in which methods and standards are set beforehand and in which the ‘rules of the game’ for analysis and publication are clearly laid out. Another mitigating factor is that the WAEMU Commission has proved to be a trustworthy partner to its member governments, sensitive to their concerns but at the same time strict when it comes to adherence to commonly agreed standards.

62. **Reluctance by implementing NSIs to adapt sector strategies and policies to harmonized approaches leads to a substantial risk rating on this aspect.** To address initial reluctance to adapt, the project relies on resident advisors, an extensive program of capacity building and training, and a questionnaire design that is able to accommodate national specificities. Moreover, regional capacity building events will help build consensus by jointly discussing the merits of the proposed harmonization and agreeing on a common approach. Reluctance to adapt national sector strategies and policies to a regional harmonized approach are expected to be overcome this way. Once agreed and tested by implementing the harmonized approach, the agreed harmonized methodology will be codified in a ruling which will be submitted to the WAEMU council of Ministers to be adopted.

63. **A high risk is accorded to Institutional Capacity for Implementation and Sustainability.** There is a non-ignorable risk that at the end of the project—when funding stops—there will be a reversal to business as usual. To minimize this risk, and particularly the risk that different donors start to support different surveys, the project team, on the one hand, reaches out actively to other donors to bring them within the fold of this project. Thus AFRISTAT, Food and Agriculture Organization (FAO), the United Nations, and AfDB participated in the first two regional workshops (funded by a TFSCB) organized by the WAEMU and the Bank and International Labour Organization (ILO) and FAO reviewed the harmonized questionnaires that were discussed. In addition, during the course of the project, considerable effort will go into ensuring funding is available beyond the horizon of the project.

64. **Within the limitations of a project that focuses on data production, the demand for statistics will be strengthened.** Limited demand for survey data presents another risk to the sustainability of this project. Already this risk is limited, as the WAEMU Commission has expressed a very clear interest in data collected by this project. In addition, the project invests in data dissemination and actively stimulates analysis.

65. **Fiduciary risks are substantial and will need to be managed carefully.** The WAEMU Commission has experience implementing regional projects, but the FM performance rating of the last project managed by WAEMU was deemed moderately unsatisfactory. This was due to some internal control breaches reported by the external auditor, following a lack of justification of some expenditures and inappropriate use of the project account. As some of the project funds will be used by WAEMU there is need to ensure compliance with internal control procedures over the training, workshops, and other operating expenditures. Most project funds will be transferred to NSIs who will use the money to implement the household surveys. NSIs have ample experience with the implementation of household surveys and are familiar with Bank fiduciary rules as they

regularly implement World Bank financed activities. WAEMU will enter into subsidiary agreements with each NSI stipulating precisely on which activities to spend the money and which fiduciary processes to follow (i.e. those of the World Bank). Ensuring compliance is critical. To this end the PIU will appoint a full time procurement officer. In addition it is important that the WAEMU Court of Accounts is able to perform the external audit on time (that is, provide audit reports no later than six months after the end of the fiscal year). To address these risks, several mitigating measures have been identified to strengthen the control environment of the project. These are included in the project as dated covenants.

Table 2. Legal Status of NSIs of the WAEMU Subregion

Member State	INS		Legal Status	Responsible Ministry
Benin	Institut National de la Statistique et de l'Analyse Economique	INSAE	Semiautonomous	Prime Minister's Office
Burkina Faso	Institut National de la Statistique et de la Demographie	INSD	Semiautonomous	Ministry of Finance
Côte d'Ivoire	Institut National de la Statistique	INS	Public entity	Ministry of Planning
Guinea-Bissau	Instituto Nacional de Estantistica	INE	Semiautonomous	Ministry of Finance
Mali	Institut National de la Statistique	INSTAT	Semiautonomous	Ministry of Planning
Niger	Institut National de la Statistique	INS	Semiautonomous	Ministry of Finance
Senegal	Agence Nationale de la Statistique et de la Demographie	ANSD	Semiautonomous	Ministry of Economy and Finance
Togo	Institut National de la Statistique, des Etudes Economiques et Demographie	INSEED	Autonomous, but without separate vote in the budget	Ministry of Planning

66. **Additional problems might come from limited human resources.** The current staff of the *Centre Statistique* is involved in many other activities while the necessity to monitor activities in eight different countries requires considerable capacity. The project addresses this by reinforcing capacities with the creation of a PIU, which will be integrated within the Statistics Department of the WAEMU Commission.

67. **Some fiduciary risks are associated with the possibility of bloated budgets**—as the experience with some living conditions surveys in Africa has demonstrated. This risk is mitigated by the agreement that data will only be representative one administrative level below the national level with a target sample size of approximately 500 households per stratum (less in countries with many regions or provinces). Moreover, as there is only a fixed amount of money in the project reserved for surveys and by having the NSIs review each other's budgets, this risk is minimized as incentives to avoid over-budgeting are in-built (more resources for one country imply less for another as the budget available for all surveys is fixed).

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

68. **Public investment in statistics has a strong economic rationale.** Statistics are a public good. Once produced, statistics can be used by different levels of government, citizens, and businesses to facilitate evidence-based decisions in their spheres of interest. Public investment in statistics thus creates positive externalities. Moreover, the processes of planning, policymaking, and monitoring and evaluation of government policies require a wide variety of development, social, and economic statistics, which only the public sector has an incentive to provide. While the private sector can and does collect specific statistics, it is unlikely to invest in multimodular living conditions surveys. Left to the market there would likely be significant underinvestment.

69. **Paying for the production of statistics yields a good return on investment.** Research has demonstrated that the availability of quality, transparent, and timely disseminated macroeconomic and financial data reduces sovereign borrowing costs on international capital markets. Adherence to the Special Data Dissemination Standards (SDDS), for instance, has been found to lower borrowing costs by 50 basis points, by reassuring international investors on the reliability and serviceability of a country's economic and financial data.¹⁵

70. **Like financial data, social statistics generate a significant return on investment.** This project improves the quality and availability of data relevant to the measurement of poverty, living conditions, and many of the SDGs. They allow to better identify the drivers of poverty reduction and will facilitate the assessment of large-scale (public) programs. The availability of these data will certainly contribute to strengthening the regional integration process and lead to a better assessment of the socioeconomic situation in each country, a better comparability among countries, and a better understanding of the drivers of poverty reduction. It will improve targeting of public policies and the use of public resources and it will facilitate regional integration, as better data are available to assess the (distributional) impact of the various policies pursued by the WAEMU Commission. By making the data publicly available, this project facilitates public accountability, another known route to improved service delivery and greater efficiencies in public spending.¹⁶ These benefits may be hard to quantify but it is evident that the opportunity costs of poor (or no) data are high. In the absence of reliable data, the likelihood that public spending is misallocated increases dramatically as does the ability to assess whether spending is used efficiently.

71. **A multimodular survey presents a cost-effective way of collecting data on living conditions.** Household surveys tend to be relatively expensive with cost driven by sample size, the length of the questionnaire, and the number of field visits. Integrated, multitopic surveys, as supported by this project, tend to be the most cost-effective and technically efficient way to carrying out household surveys. Relative to multiple smaller surveys, they reduce design, training, and transport costs (the largest cost element for most surveys in developing countries) and permit different types of information to be combined. The latter ensures that more issues can be analyzed than with multiple but separate surveys. For example, relative to a poverty survey that does not

¹⁵ Cady, J. 2005. "Does SDDS Subscription Reduce Borrowing Costs for Emerging Market Economies?" IMF Staff Paper 52(3). The International Monetary Fund.

¹⁶ World Development Report 2004. Making Services Work for Poor People.

collect information on sources of income and a labor force survey that does not collect information on consumption, an integrated living conditions survey is more efficient because it reduces training and travel costs and permits analysis of labor market aspects by wealth category.

72. **Efficient sample sizes ensure value for money.** Incentives to conduct fieldwork have contributed to an inflation of survey samples, with some welfare surveys collecting information on as many as 18,000 households, leading in turn to unsustainably high survey costs. NSIs participating in the harmonized living conditions survey program have committed to collect data representative at one administrative level below the national level (typically region or province). As a rule of thumb, approximately 500 observations will be collected per stratum,¹⁷ implying that for the typical WAEMU member state the harmonized survey will be capped at (less than) 6,000 observations.

B. Rationale for a Regional Approach

73. **The rationale for a regional approach is strong.** To meet its role as guardian and promotor of regional integration, the WAEMU Commission needs statistics that are comparable across its member states. Only comparable statistics allow aggregation to the regional level or regional rankings. Data from living conditions surveys facilitate the design and implementation of economic policies with respect to income convergence, external tariffs, regional investments, financial inclusion, resilience to shocks, and labor mobility. They also allow the monitoring of living standards in each of the member states and reporting on the SDGs. A harmonized living conditions survey that collects data at the same time across all member states is the only way to collect relevant information on these issues with important cross-border dimensions.

74. **Harmonized data require strong leadership.** In the absence of strong coordination, surveys tend to diverge between countries and over time as questionnaire content starts to reflect preferences of the sponsor rather than statistical needs. The WAEMU Commission can offer this leadership, and has done so in the past, with respect to statistics, but also external tariffs and public finance management.

75. **Central funding is needed to overcome the initial hurdle of data harmonization.** In addition, in the intermediate term, member states should be expected to finance their own welfare data collection. Centralized funding, though yet to get started, is needed to entice countries to sign up to a harmonized approach. International experience (MECOVI, DHS, and MICS) has shown that this is a viable model. It has already been applied successfully in the WAEMU with respect to the harmonization of price data collection, which initially was centrally funded, but which is presently funded by each member state.

76. **A regional approach allows attaining economies of scale and improves opportunities for cross-country learning.** Household surveys come with significant fixed costs or economies of scale, particularly in questionnaire design, the scientific testing of different approaches (for example, diary versus recall), or the design of CAPI software. A regional approach allows sharing these fixed costs over more participating agencies. A regional approach also allows for an improved diffusion of knowledge across agencies. Between the different NSIs, know-how varies.

¹⁷ In “Statistics Reform in Africa, Aligning Incentives with Results” (World Bank 2015), Hoozeven estimates that capping the number of observations per stratum to 750 would lead to cost savings of approximately 25 percent.

Some already have experience with CAPI; others collect data using mobile phone surveys; and some others have experience with monitoring seasonality in consumption. A regional approach allows participating statistical institutes to share their knowledge while benefitting at the same time from international expertise. This is attractive to many: in fact, already, the INS of one non-WAEMU member state (Chad) has indicated its intention to participate in capacity-building events and to adopt WAEMU standards so as to benefit from the knowledge generated by this project. Three other INSEs are considering to do the same.

77. **The project meets the four criteria for IDA regional financing (see table 3).** The project involves more than three (IDA) countries and generates positive externalities as the data generated by this project support regional integration and become publicly available (statistical data being a public good). By adopting the statistical strategy for the region, the eight ministers of Finance have demonstrated ownership of the data harmonization agenda and recognized harmonized statistics as a critical building block for the regional economic integration strategy.

78. **The project also meets the six criteria for regional IDA grants.** The WAEMU is a bona fide regional organization aimed at promoting regional economic integration, which has collaborated with the Bank on numerous activities. The WAEMU's objectives are well aligned with IDA's objectives for stronger regional integration. Data generated by the project will facilitate regional policies with respect to income convergence, regional (structural) policies, external tariffs, the efficiency of fiscal spending, promotion of financial inclusion, furthering of resilience to external shocks, and management of labor migration. According to its statutes, the WAEMU is not allowed to enter into credit arrangements (hence the decision to request an IDA grant) and cofinancing from other donors has not been readily available. Other donors do contribute in kind and offer technical inputs on instrument design. The costs and benefits of the project are not easily allocated to national programs. Countries give up autonomy with respect to instrument design to participate in the project. Moreover, unpredictable survey financing was identified as the root of infrequent and non-comparable welfare data which regional funding allows to overcome. If at the start of the program the costs were to be allocated to individual country IDA allocations, coordinated alignment around the project objectives would not be achievable.

Table 3. Compliance with Criteria for Regional IDA Grant

Criteria for accessing regional IDA		
1	Involve three or more countries, all of which need to participate for the project's objectives to be achievable (at least one of which is an IDA country).	To achieve the PDO of support to the WAEMU Commission in strengthening the capacity of its member states to conduct living conditions surveys that meet harmonized, regional standards, (all) its member states need to participate. Consequently, eight IDA countries participate in this project: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.
2	Benefits spill over country boundaries (for example, generate positive externalities or mitigate negative ones across countries).	The data generated by the project are instrumental to facilitating regional economic integration under the auspices of the WAEMU. They facilitate regional policies with respect to income convergence, regional (structural) policies, external tariffs, the efficiency of fiscal spending, promotion of financial inclusion, furthering of resilience to external shocks, and management of labor migration.

3	Clear evidence of country or regional ownership, which demonstrates commitment of the majority of participating countries.	The regional statistical strategy adopted by the ministers of Finance of the eight WAEMU member states has identified the harmonization of living conditions measurement as one of its two core data collection activities. NSIs of the member states have agreed to use the newly collected data as basis for their official poverty monitoring, even though this implies a clear break with previously generated (not always comparable) series.
4	A platform for a high level of policy harmonization between countries and is part of a well-developed and broadly supported regional strategy.	See the previous point. Data harmonization is one of the core pillars of the regional statistical strategy, which itself contributes to the WAEMU's overarching objective of regional economic integration.
Criteria for Accessing Regional IDA Grants		
1	Recipient is a bona fide regional organization that has the legal status and fiduciary capacity to receive grant funding and the legal authority to carry out the activities financed.	The WAEMU was created by a treaty signed at Dakar, Senegal, on January 10, 1994. ¹⁸ The WAEMU has previously benefited from Bank support including the WAEMU regional trade facilitation program, an Institutional Development Fund grant to strengthen the capacity of the WAEMU Commission's institutions responsible for professional accounting and auditing certification and a Global Environment Facility grant in support of the West Africa Regional Biosafety Project.
2	Recipient does not meet eligibility requirements to take on an IDA credit.	The WAEMU is funded by contributions from its member states and lacks the legal authority to sign credit agreements.
3	The costs and benefits of the activity to be financed with an IDA grant are not easily allocated to national programs.	<p>At the heart of the project is a regional approach to financing living conditions surveys. Regional financing is the only realistic way to get multiple countries to agree to replace, in a coordinated manner, their existing approach to welfare surveys. Unpredictable survey financing was identified as at the root of non-comparable, infrequently collected welfare data which regional funding allows to overcome. If at the start of the program the costs were to be allocated to individual country IDA allocations, the main expected benefits of the projects related to regional harmonization (cross-country and overtime data comparability) would not be achievable.</p> <p>The expectation is that by the end of the project, once standards have been set regionally and incorporated in national statistical systems, the costs of future data collection could be borne by individual countries (with or without IDA and/or donor support depending on the case) without compromising the regional benefits. A similar approach was followed with the introduction of harmonized price statistics in the WAEMU region. Moreover, experience with the DHS and MICS as well as with the MECOVI Program has demonstrated that once a new approach has been implemented for some time, it is likely to continue to be supported in the future.</p>
4	The activities to be financed with an IDA grant are related to regional infrastructure development, institutional cooperation for economic integration, and coordinated	The WAEMU has successfully implemented macroeconomic convergence criteria and an effective surveillance mechanism. The WAEMU has adopted a customs union and common external tariff and has combined indirect taxation regulations, in addition to initiating regional structural and sectoral policies. The data generated by the project will be instrumental to enabling regional economic integration under the auspices of the WAEMU. It will facilitate regional policies with respect to income convergence,

¹⁸ The treaty can be accessed at <http://www.uemoa.int/Documents/TraitReviseUEMOA.pdf>

	interventions to provide regional public goods.	regional (structural) policies, external tariffs, the efficiency of fiscal spending, promotion of financial inclusion, furthering of resilience to external shocks, and management of labor migration. The project also collaborates closely with the PRAPS, the regional project for pastoralism in the Sahel.
5	Grant cofinancing for the activity is not readily available from other development partners.	Presently, other development partners do contribute but in the form of TA (AfDB contributes to the implementation of CAPI) and by offering feedback on questionnaires (AfDB, FAO, United Nations, European Union, and ILO). Over the course of the project, additional (regional or national) cofinancing will be sought for follow-up activities.
6	The regional entity is associated with an IDA-funded regional operation or otherwise supports the strategic objectives of IDA on regional integration.	The WAEMU greatly contributes to macro stability in the subregion, implements common trade policies, and has been at the forefront of data harmonization in statistics and public financial management. In doing so, the WAEMU's objectives are aligned with IDA's objectives for stronger regional integration.

Note: PRAPS = Regional Project in Support of Pastoralism in the Sahel (*Projet Régional d'Appui au Pastoralisme au Sahel*).

C. Technical

79. **The design of the project is based on the analysis of the WAEMU Commission, the survey systems in its member states, and uses insights from the implementation of modular complex living conditions surveys by the Bank as well as of other harmonized surveys (DHS and MICS).** The proposed activities—related to institutional arrangements, capacity building, and data collection and management—and the choice of technology are appropriate to the NSIs’ needs and in line with good international practices. As such, the project has incorporated lessons from the successful MECOVI Program (Box 1).

80. **The harmonized survey instruments that will be introduced in the WAEMU member states reflect the state of the art in survey design.** The questionnaires are being designed in a collaborative manner and are being reviewed extensively including by the LSMS team. The modular approach allows for flexibility, while the choice to implement the surveys in one wave (as opposed to multiple waves) was informed by research demonstrating that the loss in data quality due to enumerator and interviewee fatigue exceeds the gains in terms of additional information on, for example, seasonality and agricultural production.

81. **The Bank adds value in that it has much experience in assisting countries in household survey design and implementation and in poverty analysis.** Highly qualified staff and experts are available in the Poverty Global Practice, in DECRG and in DECDG. The experience with the approach of the LSMS-ISA survey team has demonstrated the feasibility of collecting and disseminating reliable welfare and income data on time—including in low-capacity settings. This expertise is recognized in the fact that the Bank is the institution mandated by the UN Commission of Statistics to work on improving collection of consumption data for poverty measurement. This gives the Bank the formal convening power necessary to align different countries and donors around a common approach to welfare data collection.

D. Financial Management

82. **A Financial Management (FM) assessment of the WAEMU Commission, the implementing agency of this project, was carried out in January 2016.** The objective of the assessment was to determine whether the WAEMU has adequate FM arrangements in place to ensure that the project funds will be used only for the purposes for which the financing was provided, with due attention to considerations of economy and efficiency. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations that became effective on March 1, 2010, but was issued (retrofitted) on February 4, 2015, as well as the GGODR Financial Management Assessment and Risk Rating Principles.

83. **The assessment revealed a number of strengths,** including that the WAEMU Commission has a financial policy named Règlement NO01/2008/CM/UEMOA Portant Règlement financier des Organes de l'UEMOA, which defines internal control rules and procedures. Also, the WAEMU Commission is familiar with the implementation of a Bank financed-project, the West Africa Regional Biosafety Project (P096058). The WAEMU Commission has sufficient qualified FM staff on board and an adequate internal audit directorate that could be involved in all related internal audit needs of the project, including ensuring that funds sent to the NSIs were used for purposes intended. WAEMU Commission's accounting software is adequate and can be used for recording and reporting purposes under the project.

84. **The FM performance rating of the previous project managed by WAEMU was deemed moderately unsatisfactory due to some internal control breaches reported by the external auditor,** following lack of justification of some expenditures and occurrence of an inappropriate use of the project account. In addition, the WAEMU Commission will be entering into subsidiary agreements with NSIs. There is a risk that the data produced will not be in line with the agreed terms, which could result in reduced quality or low value for money. The project includes quite a large number of workshop activities. Thus, there are risks of lack of compliance with internal control procedures over workshops, travel, and other operating expenditures. Furthermore, the WAEMU Court of Accounts might not be able to perform the external audit on time to provide the audit reports no later than six months after the end of the fiscal year.

85. **As a result of the above mentioned risks, the following measures will be included as dated covenants** to strengthen the internal control environment of the project. A PIU will be created within the Statistics Department which will need to recruit a qualified and experienced accountant and develop an Operations Manual with adequate FM arrangements for the project, within three months after effectiveness. The WAEMU Commission will also need to strengthen its internal control system by ensuring biannual internal audits are done on a risk basis that cover the NSIs and cover risky expenditures such as per diems and other operating expenditures. There will also be need to reach an agreement with the Court of Accounts to conduct timely audits and ensure the audit reports are submitted in accordance with the Financing Agreement (not a dated covenant).

86. **Based on the Bank's assessment and the current arrangement in place at the WAEMU Commission, residual FM risk for the project is deemed Substantial.** The proposed FM arrangements are considered satisfactory in fulfillment of the requirements of the Bank's OP 10.00. The implementing entity will thus ensure that (a) the proposed mitigation measures are

implemented to reinforce the internal control environment and (b) the Bank's Guidelines: Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants (revised January 2011) are followed under the project.

E. Procurement

87. Procurement activities for this project will be carried out by the PIU placed in the *Centre Statistique* of the WAEMU Commission as well as by the procurement units of the eight NSIs.

88. The procurement risk is rated Medium.

89. Procurement arrangements are detailed in annex 3.

F. Social (including Safeguards)

90. **The project has no social safeguards risk.** The social impact is expected to be positive because by making quality data publicly available, it will nurture public debate on matters of economic, financial, and social concern and facilitate public accountability and a better targeting of public policies and use of public resources.

G. Environment (including Safeguards)

91. **There are no environmental safeguard issues.** The activities to be funded by the project are limited to capacity building and data production and dissemination and use. It will not fund any civil works that could have adverse environmental or social impacts.

H. World Bank Grievance Redress

92. Communities and individuals who believe that they are adversely affected by a Bank-supported project may submit complaints to existing project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention and Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring
West African Monetary and Economic Union:
Regional Program to Harmonize and Modernize Living Conditions Surveys

TABLE 1.1. RESULTS FRAMEWORK

Project Development Objectives

The PDO is to support the WAEMU Commission at strengthening the capacity of its member countries to conduct living conditions surveys that meet harmonized, regional standards and to make the collected micro-data publicly accessible.

These results are at Project Level

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Base line	Cumulative Target Values (December of)					Frequency	Data Source Methodology	Responsibility for Data Collection
				2017	2018	2019	2020	End Target (2021)			
WAEMU member states which completed the collection of harmonized living conditions surveys that made the anonymized micro-data available to the public through the WAEMU website (*)	<input type="checkbox"/>	Percent	0	30	85	85	85	85	Annual	Direct observation at WAEMU website	WAEMU Statistics Unit
WAEMU member states that completed a 2nd living conditions survey according to harmonized, regional standards by December 2020	<input type="checkbox"/>	Number	0	0	0	0	7	7	Annual	Review and count of harmonized living conditions data sets in each country	WAEMU Statistics Unit
Submission to the WAEMU's Council of Ministers of a ruling committing all member states to apply WAEMU living conditions survey standards with respect to methodology, contents, and periodicity	<input type="checkbox"/>	Yes/No	No	No	No	No	Yes	Yes	Annual	Minutes of Council of Ministers of the WAEMU	WAEMU Statistics Unit

Note: (*) Target to be achieved by 2020 is publication within six months after data collection. Data collected in 2017 should be published within 10 months of data collection.

TABLE 1.2. DESCRIPTION (DEFINITION)

Project Development Objective Indicators

Indicator Name	Description (indicator definition)
WAEMU member country	Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Senegal, Mali, Niger, and Togo
Harmonized, regional standard for living conditions survey	A living conditions survey meets harmonized, regional standards when the instruments, methodology, and timing are in accordance with the guidelines adopted jointly by the eight NSIs of the WAEMU countries.

TABLE 1.3. RESULTS FRAMEWORK.

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source	Responsibility for
				2017	2018	2019	2020	End Target		Methodology	Data Collection

Intermediate Results (Component 1). Capacity Building and Survey Harmonization and Modernization through Data Collection and Dissemination

Draft standardized questionnaires, disaggregated by gender are reviewed by data users (*)		Yes/No	No	Yes	Yes	Yes	Yes	Yes	Annual	Minutes of meeting with data users	WAEMU Statistics Unit
Standardized living conditions survey instruments and manuals (**) are adopted by the NSIs of all eight WAEMU member states		Yes/No	No	Yes	Yes	Yes	Yes	Yes	Annual	Document available online	WAEMU Statistics Unit
Regional capacity-building events	<input type="checkbox"/>	Number	0	2	3	5	7	8	Annual	Events held	WAEMU Statistics Unit
Statistical abstracts with selected official welfare statistics (***) for WAEMU countries and the region are published by the WAEMU Commission		Yes/No	No	No	Yes	Yes	Yes	Yes	Annual	WAEMU website	WAEMU Statistics Unit
WAEMU member states that archive their harmonized living conditions surveys	<input type="checkbox"/>	Number	0	0	6	7	8	8	Annual	Data archives	WAEMU Statistics Unit

Intermediate Results (Component 2). Quality Control, and Coordination

Living conditions surveys that have been subject to quality review by peers and by independent external parties	<input type="checkbox"/>	Number	0	0	8	8	8	12	Annual	Review reports	WAEMU Statistics Unit
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Note: (*) citizen engagement and gender indicator; (**) a standardized manual discusses at least (a) the objective of the questionnaire and its modules, (b) treats sampling, (c) describes procedures for consistency checking and data cleaning, (d) comprises the common enumerator manual, and (e) sets the standard for deriving a consumption aggregate, poverty line, and core living standards statistics; (***) official welfare statistics include, at a minimum, poverty, inequality, access to safe water, electricity and health care, school attendance, sanitation, and employment .

Annex 2: Detailed Project Description

West African Monetary Union: Program to Harmonize and Modernize Living Conditions Surveys

Project Components

1. Project activities comprise (a) capacity building and survey harmonization and modernization through data collection and dissemination and (b) quality control, and coordination. The project will be carried out through two components with an IDA grant of US\$40.5 million equivalent.

Component 1. Capacity Building and Survey Harmonization and Modernization through Data Collection and Dissemination (US\$36.3 million equivalent)

2. While the end goal is the public availability of high-quality living conditions data that can be used for regional and national planning purposes, achieving it requires harmonizing survey instruments and modernizing the approaches to data collection, data processing, and archiving. At the core of this is capacity building. It will happen in various ways: through collaborative work (for instance on questionnaire design); through dedicated regional and national training events (for instance to introduce CAPI); by making TA available in the form of resident advisors; and foremost, by collecting data (learning-by-doing). In all instances, the project will actively explore the options for South-South learning and learning from peers.

3. Three subcomponents are distinguished:

Subcomponent 1.1. Capacity building to harmonize and modernize data collection, processing, archiving, and dissemination (US\$2.7 million equivalent)

4. This component encompasses all regional and national training events that contribute to the design and adoption of a modernized set of living conditions survey tools. Taking advantage of a TFSCB grant, the NSIs from the eight WAEMU countries already collaborate with a team from the Bank to design and field test a set of harmonized survey instruments. The project will ensure the completion of this harmonization process, including through the preparation of manuals (for sampling, data collection, consistency checks, cleaning, the compilation of consumption and income aggregates, the setting of poverty lines, and the calculation of core living standard statistics) and the adoption by the eight NSIs of the thus harmonized standards. The project will also support the adoption of CAPI for data collection; review sampling methods; ensure the revision and updating of methods to derive consumption aggregates, poverty lines, and comparable poverty trends; and capacity building in data archiving and disseminating micro-data.

5. Regarding the adoption of a harmonized questionnaire, the questionnaire used during the first round of data collection may be ‘lighter’ (that is, shorter, less complex) than the questionnaire used in the second round when the capacity to implement living conditions surveys has increased.

6. Capacity-building events will be more intensive prior and post-data collection. Before data collection, the events focus on agreeing on harmonized questionnaires, reviewing sampling methods, and training in CAPI and survey supervision. Post data collection, the regional training

events focus on different aspects of data analysis and archiving, including setting poverty lines in a harmonized manner, deriving a comparable consumption aggregate, and creating a comparable series of poverty estimates over time through survey-to-survey imputation.

7. Special attention will be paid to data archiving and dissemination. Data from a good-quality survey may be used for research and other analytical purposes many years after they have been collected. This is only possible if data are properly archived and made publicly accessible. The project will use the methodology of the Accelerated Data Program¹⁹ in documenting and archiving data. The project will adhere to open access data principles, and within 6 to 10 months after completion of the fieldwork, anonymized data will be archived in national and regional data banks and made publicly available (free of charge) through the WAEMU website. The Bank and NSIs are expected to also disseminate the data through their respective websites. At country level, national data dissemination platforms such as National Data Archive will be used. The WAEMU data portal will also seek to retroactively archive and make publicly accessible those national poverty surveys implemented prior to 2015 that have been used to create a harmonized time-series of poverty estimates.

8. *Subcomponent 1.2. Capacity building by implementing two survey rounds in each country (US\$32 million equivalent)*

9. One of the important lessons from previous capacity-building exercises is that capacity building should be long term and focused on concrete outputs. This component incorporates these lessons by supporting the cost associated with collecting two rounds of harmonized survey data in each WAEMU country. As the approach followed for data collection and survey management is new, activities under this component are considered both capacity building (through on the job learning) as investment in new data.

10. Since the final goal is to produce comparable indicators, the national adaptation of survey instruments will be limited; under Subcomponent 1.1, the scope for adjustment will be defined.

11. Survey Solutions will be used as this CAPI software integrates survey supervision with field based data entry.²⁰ The approach is designed such that enumerators are assigned interviews by supervisors based at the center (not by field supervisors). Once interviews are completed and checked by the field supervisor the data are relayed back to the center²¹ where the survey supervisor performs a final check and monitor progress—multiple monitoring indicators are generated automatically varying from the global positioning system location of the interview, the time and duration of the interview, whether a replacement was needed each of which can be disaggregated by supervisor, enumerator, and so on. This has been found to significantly improve

¹⁹ Accelerated Data Program was a World Bank project with one of the component being archiving micro-data. A lot of work has been done and a considerable amount of micro-data have been archived. The diagnostic is that many surveys are not documented during the period of their implementation, and the project has been the opportunity to catch up on this. The project will have to enforce documentation. In addition, after the project, not all the countries have continued to archive new survey data.

²⁰ Survey Solutions software is available free of charge and NSIs are encouraged to use the software tool also in other data collection exercises. Participating NSIs can receive the source code of Survey Solutions upon request, allowing the customization of the program.

²¹ Center may be the NSI but could also be the WAEMU Statistics Unit or any other entity (Bank or AFRISTAT) with access to the central database.

the ability to monitor across the data-collection-chain and, by implication, the quality of the data collected.

12. The cost estimate for Subcomponent 1.2 is driven by the cost of living conditions surveys implemented under this subcomponent. A survey that yields representative data at the administrative level below the national level for each of the eight countries at a projected cost of US\$1.5–US\$2.5 million equivalent each (depending on the size of the sample, the available infrastructure, and the amount of assistance needed).

13. The timing of the primary data collection will depend on country-specific circumstances (agricultural calendar mainly), but the objective is to have a first round of surveys start their fieldwork implemented between February and April 2017 (between the peak consumption that follows the harvest and the lean season before planting). Envisaged is a survey that yields representative data at the administrative level below the national level for each of the eight countries, collected through one wave. A second round of surveys is envisaged for 2020.

Subcomponent 1.3. Capacity building through resident advisors, technical assistance, and peer-to-peer learning (US\$1.6 million equivalent)

14. For the initial (2017) round of surveys, resident advisors will be placed in each NSI to collaborate with national staff in the preparation, implementation, processing, and analysis of the collected data. Resident advisors are hired by the WAEMU (with no objection from the NSI and the Bank) and have a dual reporting function to the head of the NSI as the WAEMU project coordinator. Resident advisors are active in a technical capacity, collaborate closely with the survey supervisor, and bear no financial responsibilities as these rest with the NSI which has entered a subsidiary agreement with the WAEMU for the generation of a harmonized living conditions survey data.

15. Following the initial data collection round, the project will switch to more tailor-made approaches, either by offering continued assistance to NSIs that need additional capacity strengthening or through on-demand assistance to NSIs that have demonstrated they have sufficient in-house capacity to meet the core quality standards of the WAEMU harmonized survey. On-demand TA may be offered by external experts, but where available will be sought from fellow NSIs so as to strengthen peer-to-peer learning.

16. The resident advisors are expected to organize national training activities such as in the use of ADePT for data analysis. The resident advisors may also facilitate national-level donor coordination regarding survey data collection at the national level and facilitate integration of the results from the surveys in national policy design and monitoring processes (for instance, by preparing analytical briefs).

Component 2. Quality Control and Coordination (US\$4.2 million equivalent)

Subcomponent 2.1. Assistance to prepare a ruling pertaining to survey harmonization in the WAEMU (US\$0.5 million equivalent)

17. The main risk for project sustainability comes from the possibility that upon the closure of the project, NSIs who seek to continue their living conditions survey program will solicit funding

from donors who then request opportunistic changes to the living conditions survey that endanger the comparability of the data collected. By setting regional standards, committing member states to continue the survey program, coordinating donor support aimed at extending the duration of the program, offering capacity building, and strengthening regional collaboration, these risks are minimized.

18. The WAEMU has been entrusted with the powers to decree a certain approach. The envisaged directive will not only mandate a methodology, it will also set rules for periodicity and cofinancing from the budget. This effectively guarantees that survey content will remain harmonized even after the project ends and will be remain financed from the budgetary or donor resources.

19. Experience with the MECOVI Program suggests that to fully integrate survey harmonization, a longer-term approach to capacity building and regional collaboration (as opposed to what can be offered by a 5-year project) is preferred. To facilitate a longer-term approach, the project will seek to set up a donor-coordination mechanism and pooled fund, which is able to sustain the life of the program beyond this project.

20. A final aspect to enhance sustainability is through the promotion of data use (see Subcomponent 2.2).

Subcomponent 2.2 Stimulating micro-data analysis (US\$1.0 million equivalent)

21. A closer integration of data producers and data users enhances the sustainability of the modernization program (as it increases demand for data) and improves the quality and relevance of living conditions surveys. To facilitate this, the project will promote (by offering stipends) the use of micro-data produced by creating partnerships with the two excellent French-speaking schools on statistics and applied economics in the subregion (Abidjan and Dakar). Partnerships will also be built with international universities like the Paris School of Economics. Students from these graduate institutes will be encouraged to use the data from the harmonized surveys for their analyses and collaboration with staff from NSIs will be encouraged.

22. The use of data will be stimulated by offering courses (to NSI staff but also to students) on easy-to-use programs like ADePT and the use of the data for policy briefs and analyses will be stimulated (see also Subcomponent 1.3). The resident advisors are expected to play a catalyzing role to accomplish this.

23. The WAEMU will also publish welfare statistics abstracts derived from the modernized surveys.

24. To further encourage interaction between data users and producers, two international conferences will be organized.

Subcomponent 2.3. Modernization of quality control (US\$0.7 million equivalent)

25. Data quality is everything and the modernization program will pay particular attention to ensuring good-quality data are collected. It does so by using a CAPI software that integrates survey

management with data collection, by entering into well-defined subsidiary agreements with NSIs and by setting up stringent review mechanisms.

26. The CAPI approach, discussed in Subcomponent 1.2, enhances quality control by providing the ability for real-time monitoring of survey implementation.

27. Quality is further enhanced by aligning incentives with quality. The WAEMU will enter into subsidiary agreements with the eight NSIs who, in return for a payment, deliver a survey data set with well-defined specifications (the agreed standards) as well as a set of summary statistics. These performance-based contracts allow the WAEMU to monitor survey progress during fieldwork implementation (made possible by the CAPI program) and will stipulate an independent review of data quality against an agreed set of quality indicators (by people from outside the region) before making the final payment. The results of these reviews are discussed at the PAC. Independent review mechanisms are thus an integral part of the survey modernization program.

28. In addition to independent data quality reviews and to stimulate peer learning, quality reviews will be carried out by NSIs from the WAEMU member states during regional capacity-building events and during exchange visits.

Subcomponent 2.4. Coordination (US\$2.0 million equivalent)

29. A PIU team will be integrated in the Statistics Department of the WAEMU Commission to ensure efficiency at project implementation. The PIU is responsible for project implementation, coordination, organizing training events, monitoring progress, and quality control. It will oversee quality control, initiate regional capacity-building activities, carry out in-house analysis, and take the lead in creating an integrated approach to funding living conditions surveys in the subregion. The team will comprise a survey statistician, a data analyst, a CAPI/Information Technology expert, a financial specialist, a procurement specialist, and support staff.

Annex 3: Implementation Arrangements

West African Monetary Union: Regional Program to Harmonize and Modernize Living Conditions Surveys

Project Institutional and Implementation Arrangements

1. **The WAEMU Commission is the main implementing agency**, which, in accordance with the Operations Manual, will facilitate the implementation of capacity building and finance survey activities in the eight WAEMU member states. External financial and quality audits will be undertaken by firms or agencies acceptable to the Bank. A PIU will be integrated within the WAEMU Commission and managed out of the Department for Statistics ‘*Centre Statistique*’ which will be tasked with day-to-day project management. The implementation unit team is headed by a project coordinator appointed by the WAEMU Commission (with no objection from the Bank) and will include fiduciary, technical, and support staff.

Project Administration Mechanisms

2. **PAC.** A PAC comprising representatives of the WAEMU Commission, donor representatives, AFRISTAT, and director generals of the eight NSIs will oversee, promote, coordinate, support, monitor, and evaluate progress. The Technical Committees will be created on an ad hoc basis. The composition of the Technical Committee will vary depending on the nature of the task—questionnaire design, sampling methodology, and CAPI programming.

3. **Work program and budget allocation.** The project coordinator prepares an integrated multiyear work plan based on the activities proposed by this project. Each year the budgeted work plan is derived from the multiyear plan and submitted for PAC review and then sent the Bank for approval.

4. **Project policies and procedures** will be published in an Operations Manual, which will be approved by the Bank and adopted by the WAEMU Commission.

Financial Management, Disbursements, and Procurement

Financial Management

5. An FM assessment of the WAEMU Commission, implementing agency of this project, was carried out in January 2016. The assessment complied with the Financial Management Manual for World Bank-Financed Investment Operations, that became effective on March 1, 2010 but was issued (retrofitted) on February 4, 2015, as well as the GGODR Financial Management Assessment and Risk Rating Principles. The objective of the assessment was to determine whether the WAEMU Commission has adequate FM arrangements in place to ensure that the project funds will be used only for the purposes for which the financing was provided, with due attention to considerations of economy and efficiency.

6. The FM assessment considers, based on the existing FM arrangements, the degree to which (a) the **budgeted expenditures** are realistic, prepared with due regard to relevant policies, and executed in an orderly and predictable manner; (b) reasonable **records** are maintained; (c) **financial reports** are produced and disseminated for decision making, management, and reporting; (d) adequate **funds** are available to finance the project; (e) there are reasonable **controls** over project funds; and (f) independent and competent **audit** arrangements are in place.

7. **Subsidiary agreements between WAEMU Commission and NSIs:** the WAEMU Commission will sign subsidiary agreements with the NSIs. The subsidiary agreements are a condition of disbursement. Financial management requirements in the subsidiary agreements will include the following: (i) NSIs opening a dedicated project bank account; (ii) NSIs assigning a qualified and experienced accountant to account for project funds which must be confirmed by WAEMU Commission; (iii) NSIs having acceptable accounting policies and procedures which must also be confirmed by the WAEMU Commission; (iv) NSIs preparing their project budgets and sending them to the WAEMU Commission for approval within the timelines of the Project's Operations Manual; (v) NSIs preparing quarterly interim financial reports (IFRs) and sending them to the WAEMU Commission within 30 days after the end of the quarter with supporting accountability documents such that the WAEMU Commission can prepare a consolidated IFR for the project and send it to the Bank within 45 days after the end of the semester to comply with the terms of the Financing Agreement; and (vi) NSIs allowing the internal auditors from the WAEMU Commission and external auditors of the project access to books of accounts and outputs produced to effectively conduct their audits.

8. The assessment revealed a number of strengths, including that the WAEMU Commission has a financial policy named '*Règlement No.01/2008/CM/UEMOA Portant Règlement financier des Organes de l'UEMOA*', which defines internal control rules and regulations and a procedures manual named '*Manuel de Procédures Intégrées des Organes de l'UEMOA du 1er janvier 2011*'. Also, the WAEMU Commission is familiar with the implementation of a Bank financed-project, the West Africa Regional Biosafety Project (P096058). The WAEMU Commission has sufficient qualified FM staff on board and also has an adequate internal audit directorate that can be involved in all related internal audit needs of the project, especially ensuring that funds sent to the NSIs are utilized for purposes intended. WAEMU Commission's accounting software is adequate and can be used for recording and reporting purposes under the project.

9. However, the FM performance rating of the previous project managed by WAEMU was deemed moderately unsatisfactory due to some internal control breaches reported by the external auditor, following lack of justification of some expenditures and occurrence of an inappropriate use of the project account. In addition, the WAEMU Commission will be entering into subsidiary agreements with NSIs. There is a risk that the quality of the data produced will not be in line with the agreed terms, a risk that is minimized by the reliance on CAPI and the inclusion of resident advisors in the statistical offices. The project includes quite a large number of workshops. Thus, there are risks of lack of compliance with internal control procedures over workshops, travel, and other operating expenditures. Furthermore, the WAEMU Court of Accounts might not be able to perform the external audit on time to provide the audit reports no later than six months after the end of the fiscal year.

10. **As a result of the above mentioned risks, the following measures will be included as dated covenants** to strengthen the internal control environment of the project. The PIU created within the Statistics Department will need to recruit a qualified and experienced accountant and develop an Operations Manual with adequate FM arrangements for the project, within three months after effectiveness. WAEMU Commission will also need to strengthen its internal control system by ensuring biannual internal audits are done on a risk basis that cover the NSIs and cover risky expenditure such as per diems and other operating expenditures. There will also be need to reach an agreement with the Court of Accounts to conduct timely audits and ensure the audit reports are submitted in accordance with the Financing Agreement. The following action plan includes the measures to strengthen the internal control system:

Table 3.1. Action Plan

FM Pillar	Action	When	By Whom
FM staff	The Recipient shall, not later than three months after the Effective Date, recruit an accountant in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement	Not later than three months after effectiveness	WAEMU Commission
Operations Manual	No withdrawal shall be made under Category (1), unless and until the Recipient has adopted a Project Operations Manual in accordance with the provisions of Section I.C.1 of Schedule 2 to the Financing Agreement.	Disbursement condition	WAEMU Commission
Internal audit	The Recipient shall carry out semi-annual internal audits under terms of reference satisfactory to the Association, and furnish the related risk-based internal audit reports to the Association not later than forty-five (45) days after the end of each audited period.	Not later than 45 days after the end of the semester	WAEMU Commission
External audit	Reach an agreement with an external auditor* to fulfill external audit requirement.	Not a dated covenant	WAEMU Commission

* For WAEMU Commission matter, the WAEMU Court of Accounts is the external auditor

11. **Planning and budgeting.** The Operations Manual will draw from the Financial Policy - ‘*Règlement No.01/2008/CM/UEMOA Portant Règlement financier des Organes de l’UEMOA*’, and the budgeting procedures of the ‘*Manuel de Procédures Intégrées des Organes de l’UEMOA du 1er janvier 2011*’ for planning and budgeting activities. Each year, by end August, the project

will be required to prepare and submit to IDA a detailed annual work plan and budget as well as a disbursement forecasts.

12. **Internal controls.** The project will rely on the existing internal control system comprising a (a) Financial Policy ‘Règlement No.01/2008/CM/UEMOA Portant Règlement financier des Organes de l'Union Economique et Monétaire Ouest Africaine); (b) *Manuel de Procédures Intégrées des Organes de l'UEMOA du 1er janvier 2011*; (c) an Internal Audit Directorate; and (d) a ‘*Division des Fonds Structurels*’. The WAEMU will design specific, detailed FM policies and procedures applied for the project. Key risks to be addressed are associated with the need to ensure value for money (quality) of the surveys to be produced—for example, by making payments conditional on good quality outputs—and effectively mitigate risk of abuse in issues like per diems, travel, and training.

13. The ‘*Division des Fonds Structurels*’ will monitor the project progress and evaluate the meeting of contractual obligations set out in the legal agreements.

14. The Internal Audit Directorate will periodically review the internal control system of the project with special attention to activities related to the subsidiary agreements and related output that should be in line with the expectations and the operations costs, including per diems and other soft expenditures, to ensure they are used in an economical manner and for the purposes intended.

15. **Accounting.** The WAEMU Commission will use its accounting policies and software (SAGE 1000) for the project. If needed, financial statements required for the Interim Financial Report (IFR) may be prepared using MS Excel.

16. **Financial reporting.** The WAEMU Commission will submit an IFR to the Bank within 45 days after the end of each semester. The project will choose an IFR format among those presented in the document ‘Financial Monitoring Reports for World Bank-Financed Projects: Guidelines for Borrowers, November 30, 2002’ and agree with the Bank on it. The IFR will include (i) a Statement of Sources and Uses of Funds, both cumulatively and for the period covered by the report; (ii) Uses of Funds by Components Statement, cumulatively and for the period covered by the report; (iii) the designated account bank statements and related bank reconciliation statement; and (iv) an explanation of significant variances between the actual and planned expenditure.

17. The WAEMU Commission will produce the project Annual Financial Statements. The financial statements will comprise (i) a Statement of Sources and Uses of Funds, which recognizes all cash receipts, cash payments, and cash balances; (ii) a Statement of Commitments; (iii) accounting policies adopted and explanatory notes; (iv) a list of assets; and (v) a management assertion that project funds have been spent for the intended purposes as specified in the relevant financing agreement.

18. **Auditing.** The WAEMU Commission will submit audited Project Financial Statements satisfactory to the Bank within twelve months after the end of each fiscal year. A single opinion on the audited Project Financial Statements in compliance with International Federation of Accountants and International Standards on Auditing will be required. In addition, a management letter will be required. The management letter will provide observations and comments and recommendations for improvements in internal control and compliance with financial covenants

in the financial agreement. In that respect, an agreement will be reached with the Court of Accounts on the timing of their intervention and the audit report requirement will be aligned on such timing, keeping in mind that it should not go over one year according to the general audit policy

Disbursements

19. Disbursements under this project will be carried out in accordance with the provisions of the Disbursement Guidelines (World Bank Disbursement Guidelines for Projects, dated May 1, 2006), the Disbursement Letter, and the Financing Agreement.

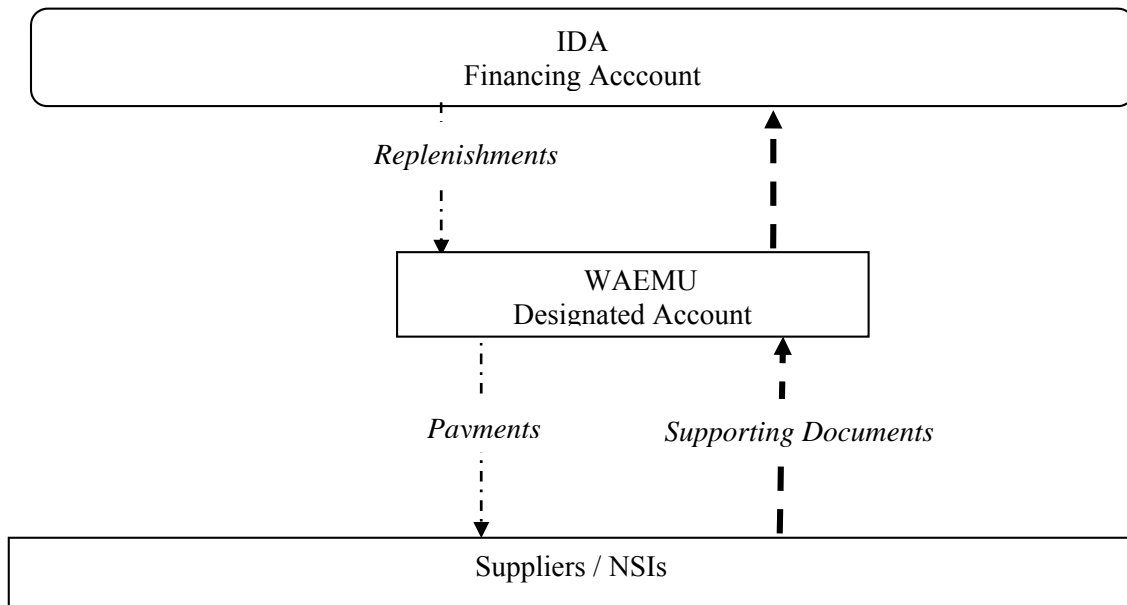
20. **Designated account.** The project designated account will be opened in the *Banque centrale des États de l'Afrique de l'Ouest*. The project will open a 'transaction account' in a commercial bank acceptable to IDA

21. **Disbursement methods.** Disbursement will be made through the designated account in accordance with the World Bank Disbursement Guidelines for Projects dated May 2006 and the disbursement letter. This operation will follow transaction-based disbursement for all components and/or any other method described in the disbursement letter.

22. **Designated account replenishment and documentation.** The designated account will be replenished through the submission of withdrawal applications on a quarterly basis by the WAEMU Commission. Withdrawal applications will be capped, a cap that will be temporarily lifted prior to the implementation of the household surveys to allow timely disbursement of funds to NSIs needed to execute the surveys. At Replenishment (requests for reimbursement) and reporting on the use of advances will be accompanied by a statement of expenditure providing information on payments for eligible expenditures and records required by the Bank for specific expenditures in the disbursement letter. All supporting documentation will be retained at the WAEMU Commission and must be made available for periodic review by Bank's missions and external auditors.

23. Based on the Bank's assessment and the current arrangement in place at the WAEMU Commission, residual FM risk for the project is deemed Substantial. The proposed FM arrangements are considered satisfactory in fulfillment of the requirements of the Bank's OP 10.00. The implementing entity will thus ensure that (a) the proposed mitigation measures are implemented to reinforce the internal control environment and (b) the Bank's Guidelines: Preventing and Combating Fraud and Corruption in Projects financed by IBRD Loans and IDA Credits and Grants (revised January 2011) are followed under the project.

Figure 3.1. Funds Flow Chart



Procurement

24. **General procurement rules.** Procurement for this project will be carried out in accordance with the World Bank's 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and modified in July 2014 (Procurement Guidelines); 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and modified in July 2014 (Consultant Guidelines); and the provisions stipulated in the Financing Agreement.

25. The various procurement actions under different expenditure categories are described in general below. For each contract to be financed under the Financing Agreement, the various procurement or consultant selection method, the need for prequalification, estimated costs, prior review requirements, and time frame have been agreed between the borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

26. The implementing entities, as well as contractors, suppliers, and consultants will observe the highest standard of ethics during procurement and execution of contracts financed under this project. 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006 and updated January 2011 (the Anticorruption Guidelines) shall apply to the project.

27. **Procurement documents.** Procurement will be carried out using the Bank's Standard Bidding Documents (SBD) or Standard Request for Proposal, respectively, for all International Competitive Bidding (ICB) for goods and selection of consultants advertised internally. For National Competitive Bidding (NCB), the borrower could submit a sample form of bidding documents to the Bank for its review and approval prior to its use.

28. **Advertisement.** General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the Procurement Guidelines and Consultant Guidelines. For this purpose, the PIU within the WAEMU Commission will prepare and submit to the Bank a General Procurement Notice. Specific Procurement Notice for all goods, non-consulting services, to be procured under ICB and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$200,000.00 and above will be published in Dg Market, on the Bank's external website, on the WAEMU website, and in the national press, in addition to other media with wide circulation. All other specific procurement notices and other requests for expression of interest shall be published, at a minimum, on the WAEMU website and in the national press with wide circulation.

29. **Procurement of works.** No procurement of works is foreseen under this project.

30. **Procurement of goods.** Goods procured under this project will be relatively minor and include largely computing and training needs (computers, phones, tablets, servers, and household survey materials).

31. Procurement of non-consultancy services on the other hand comprise the bulk of procurement under this project and include the contracting of NSIs to implement household surveys according to the harmonized WAEMU methodology (sampling, primary data collection, cleaning, and archiving). Depending on the size of the contracts and as stated in the approved Procurement Plan, procurement will be done either under ICB using Bank procurement rules that include the related SBD or under NCB using National SBD agreed with or satisfactory to the Bank. Small value goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the Procurement Plan, in accordance with the provisions of paragraph 3.7 to 3.8 of the approved Procurement Guidelines. Limited International Bidding may be also used where appropriate.

32. **Selection and employment of consultants.** Consultancy services would include resident advisors, trainers, or technical advisors. The selection method will be Quality- and Cost-Based Selection method whenever possible. Contracts for specialized assignments estimated to cost less than US\$200,000 equivalent may be contracted through Selection Based on the Consultants' Qualifications (CQS). The following additional methods may be used where appropriate: Quality-Based Selection; Selection under a Fixed Budget; and Least-Cost Selection.

33. Short lists of consultants for services estimated to cost less than the equivalent of US\$200,000 per contract for ordinary services and US\$300,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they will not be excluded from consideration.

34. Single-Source Selection (SSS) may be employed with prior approval of the Bank and will be in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines. All services of Individual Consultants (IC) will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Consultant Guidelines.

35. **Operating costs.** These costs shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travels costs, training costs, workshops and seminar and associated costs, among others. Operating costs will not include salaries of civil servants.

36. **Training and workshops.** These will be based on capacity needs assessment. Detailed training plans and workshops activities will be developed during project implementation, and included in the project annual plan and budget for the Bank’s review and approval.

Table 3.2. Thresholds for Procurement and Selection Methods and Bank Review Based on Substantial Procurement Risk

Expenditure Procurement Contract Subject To	Contract Value Threshold)	Procurement Method	Contract Subject to Prior Review
Category (Threshold) Method Prior Review			
US\$			
1. Goods and Non-consultancy Services	≥ 1,000,000	ICB	
	< 1,000,000	NCB	None
	< 100,000	Quotation	None
	< 500,000	Quotation (for fuel and vehicles)	None
	No threshold	Direct contracting	All contracts estimated US\$1,00,000 and above
2. Consultant Firms	≥ 200,000	<i>All methods except CQS</i>	<i>All contracts estimated US\$500,000 and above</i>
	< 200,000	CQS	None
3. IC	No value	IC selection method	All contracts estimated US\$200,000 and above
	No value	Single source selection of consulting firms and individual consultant	All contracts estimated US\$100,000 and above

Note: All terms of references and justifications of SSS or direct contracting regardless of the value of the contract are subject to prior review by the Bank.

The short list of firms may be limited to local firms for projects estimated US\$200,000 or less.

The approved Procurement Plan is the better source of information for the methods to be used and the requirements for Bank review.

37. **Implementation arrangements for procurement and assessment of the implementing agency’s capacity for procurement.**

- (a) **Guiding principles of the implementation of the procurement.** The WAEMU Commission and the Bank have agreed to mainstream the implementation of the project into *Departement des Politiques Economiques et de la Fiscalite interieure* (DPE). A waiver will be granted to the DPE for implementing all procurement activities related to the project (goods, non-consultant services, and consultant services); specific country needs or procurement activities will be implemented by the NSI of the given country under a subsidiary agreement signed with the WAEMU Commission. In that sense, the procurement activities linked to these activities will be

conducted by each NSI with respect to the principles of transparency, economy, and efficiency following the provisions of the financial agreement.

(b) Assessment of the WAEMU capacity on procurement. Procurement capacities were evaluated in October 2015. It has been found that the WAEMU Commission has an internal procurement system that is the basis of the ‘Reglement financier’ dated 2008 and the ‘Reglement d’execution sur la passation des marches’ dated 2009 and revised in 2014. Taking advantage of the ‘Projet de reformes des marches publics’ financed by AfDB and focusing on procurement reforms within its member’s states, the WAEMU itself enhanced its own internal system and procurement procedures. The system is organized according to a central commission called ‘Commission des marches et des contrats’ with deconcentrated commissions. The central commission is established within the ‘Departement des services administratifs et financiers’ while the deconcentrated commissions are based in sector departments and work exclusively for consultant services relevant to their sectors. Each commission is chaired by the *Directeur de cabinet* from the relevant department and comprises other clearly identified members. The setting up of a complaint mechanism with an administrative disposal of complaints is under way. Models of bidding documents are also being elaborated. The WAEMU Commission is currently staffed with five procurements specialists who have a minimum qualification of a master’s degree. The assessment found that one of them has already implemented a Bank-financed project and is very familiar and experienced in Bank procedures. This staff member will be dedicated to the procurement of this project. He will also provide technical reviews on procurement of activities implemented by the NSIs.

38. **Assessment of the risks and the related mitigation measures** The key issues and risks concerning procurement for implementation of the project have been identified: (a) except for one procurement specialist, other WAEMU procurement staff have no experience in implementing Bank-funded projects; (b) the NSI procurement units likely to be involved in implementing some project procurement activities may not be familiar with procurement procedures according to the Bank’s guidelines and rules; (c) the WAEMU staff likely to be involved in project procurement through tender committees may not be familiar with procurement procedures according to the Bank’s guidelines and rules; (d) a formal complaint mechanism is not yet set up.

39. **The overall risk for procurement is substantive.** Proposed corrective measures, which have been agreed to mitigate the risk, are summarized in table 3.3.

Table 3.3. Action Plan for Strengthening Procurement Capacity

Ref.	Tasks	Responsibility	Comments / Due date
1	Designation of a procurement specialist with qualifications acceptable to the association		No later than three months after effectiveness
2	Grant the DPE a waiver for implementing all procurement activities related to the project	WAEMU Commission	Effectiveness (not a covenant)
3	Set up a formal complaint mechanism	WAEMU Commission	Three months after effectiveness (not a covenant)

4	Strengthen the capacity of the WAEMU staff likely to be involved in project procurement through tender committees by the experienced procurement staff among the team.	WAEMU Commission	Three months after effectiveness (not a covenant)
5	On-the-job training of at least one procurement staff on Bank procedures by the experienced procurement staff among the team	WAEMU Commission	Three months after effectiveness (not a covenant)
6	Prepare and adopt the Project Operations Manual	WAEMU Commission/Project Coordination Unit	Disbursement condition

40. **Procurement plan.** The borrower has prepared a Procurement Plan for the first 18 months of the project implementation, which provides the basis for the procurement methods. This plan has been agreed between the borrower and the Bank during negotiations. It will also be available in the project's database and on the Bank's external website. During the project implementation, the Procurement Plan will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

41. **Frequency of the supervision of procurement activities.** In addition to the prior review and supervision to be carried out from the Bank offices, at least one implementation support mission would be carried out every year. This support will include not only the organization and functioning of the procurement team but also the procurement activities listed in the Procurement Plan. One post-review of the procurement activities would be carried out every year.

42. **As agreed with the WAEMU Commission, contracts awards will be published on the web.** Annual compliance verification monitoring may also be carried out by an independent consultant if necessary and would aim to (a) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement; (b) verify technical compliance, physical completion, and price competitiveness of each contract in the selected representative sample; (c) review and comment on contract administration and management issues as dealt with by the implementation entity; (d) review capacity of the implementation entity in handling procurement efficiently; and (e) identify improvements in the procurement process in the light of any identified deficiencies.

43. **Contract management and expenditure reports.** As part of the procurement management reports, the procurement officer assigned to supervise the overall procurement activities of the project will submit contract management and expenditure information in half yearly reports to the coordinator of the project implementation, with a copy to the Bank. The procurement management report will consist of information on procurement of goods, works, and consultants' services and compliance with agreed procurement methods. The report will compare procurement's performance against the plan agreed at negotiations and as appropriately updated at the end of each six months. The report will also provide any information on complaints by bidders, unsatisfactory performance by contractors, and information on contractual disputes, if any. These contract management reports will also provide details on payments under each contract and will use these to ensure no contract over-payments are made or no payments are made to sanctioned entities. Finally, the procurement management reports will highlight the quality of the Procurement Plan implementation to identify possible source of delays to be adequately corrected.

Environmental and Social (including safeguards)

44. No environmental or social safeguards have been triggered.

Monitoring and Evaluation

45. **The project's monitoring and evaluation system focuses on accountability for results and improved supervision to encourage the timely production of quality data.** It moves beyond the usual tracking of inputs and outputs to a focus on intermediate outcomes and processes. An important element of the new approach to monitoring is the introduction of Survey Solutions (CAPI), which allows for near real-time monitoring of survey implementation and reduces the scope for non-sampling error by recording interview location and duration.

46. A second element of the new approach is the systematic introduction of peer and independent review of data collection processes and quality.

47. Annually, the PAC will review the progress made. Before the PAC review, the project coordinator will review progress with those responsible for the implementation of the survey program in each of the eight NSIs. The reviews will offer opportunities for learning from collective experience and self-assessments and through exchanges of success stories and discussions about mistakes or reasons for delays. This dynamic approach is complementary to the project's static results framework. At these periodic workshops, the discussions should go beyond quantitative measurement of progress to focus on qualitative improvements that will help move the project forward.

Role of Partners

48. The project will actively reach out to partners to participate in the project. Financial partners will be solicited to contribute to the regional or national pooled funds or to contribute in kind. Already, AfDB has indicated, for instance, support for two regional CAPI advisors. Collaboration with technical partners is also sought; the ILO and FAO have already been asked to offer feedback on the draft harmonized survey instruments. During the project, they and other technical partners (AFRISTAT, for instance) will be approached to participate in capacity-building events.

Annex 4: Implementation Support Plan

West Africa Economic and Monetary Union: Regional program to harmonize and modernize living conditions surveys (P153702)

1. **Strategy and approach for implementation support.** The strategy for implementation support has been developed based on the nature of activities involved in the program and the commensurate risk profile in accordance with the risk assessment. The Implementation Support Plan, as described here, will be a living document and will be reviewed regularly and revised when required during the implementation.

2. **Technical support.** The Bank will provide required technical support through sector specialists to supervise the technical aspects of survey design, survey data collection, processing, dissemination, and archiving as well as capacity building. Implementation support will be provided through at least two implementation support missions a year to the WAEMU Commission and through continuous exchange of correspondence and frequent use of telecommunication. Short interim visits will be conducted to maintain close coordination between the Bank team and the project staff. Bank staff will participate in the regional capacity-building events and during critical periods of survey implementation (enumerator training in particular), specialists from the Bank will be present, while access to the CAPI data will allow Bank staff to monitor progress and data quality real time during fieldwork implementation.

3. **Procurement.** The capacity assessment of the implementing agency has recommended a supervision site visit every six months and at least one annual post-procurement review. Mission teams in the first 18 months shall comprise a Bank procurement specialist or a consultant specialized in budgeting for household surveys.

4. **FM.** Based on the outcome of the FM risk assessment, the actions mentioned in the implementation support plan are proposed. The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout the project's life.

Table 4.1. Implementation Support

Time	Focus	Skills Needed	Resource Estimate (staff weeks)	Partner Role
First twelve months	Procurement Training	Procurement specialist	1	Not applicable
	FM Training and Supervision (*)	FM specialist	1	Not applicable
	Survey Design and Testing	Survey specialist	10	Coordinate NSIs; organize regional meetings
	CAPI	CAPI specialist	4	Organize regional meeting
12–24 months	Procurement Supervision	Procurement specialist	2	Not applicable
	FM Supervision (*)	FM specialist	2	Not applicable

Time	Focus	Skills Needed	Resource Estimate (staff weeks)	Partner Role
	Survey Implementation and Supervision	Survey specialist	40	Coordinate NSIs; organize regional meetings
	CAPI	CAPI specialist	10	Coordinate NSIs; organize regional meetings

Note: (*) The following FM supervision activities have been identified.

Table 4.2. FM Supervision Activities

FM Activity	Frequency
IFRs review	Quarterly
Review of the audited financial statements (audit reports)	Annually
Review of other relevant information such as interim internal control systems reports	Continuous, as they become available
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, internal audit, and other reports	As needed
Transaction reviews	As needed
FM training sessions	During implementation and as and when needed

Table 4.3. Skill Mix Required (first 12 months)

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task team leader(s)	8	2 international	Washington, DC based
Survey specialist	10	2 international	Washington, DC based
Procurement specialist	2	2 supervision visits	County office based
FM specialist	2	2 supervision visits	County office based

Table 4.4. Partners

Name	Institution/country	Role
WAEMU Commission	Burkina Faso	Project coordination
NSIs	Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo	Survey implementation
AFRISTAT	Mali	TA
FAO	Italy	TA
ILO	Switzerland	TA
AfDB	Côte d'Ivoire	Financial sustainability
European Union	Belgium	Financial sustainability