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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 02-Sep-2026 | Report No: PIDIA01718

BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Ethiopia	EASTERN AND SOUTHERN AFRICA	P513304	Modernizing Ethiopia’s Statistical System
Financing Instrument	**Estimated Appraisal Date**	**Estimated Approval Date**	**Practice Area (Lead)**
Investment Project Financing (IPF)	20-Jul-2026	05-Nov-2026	Poverty and Equity
Borrower(s)	**Implementing Agency**		
Federal Democratic Republic of Ethiopia	Ethiopian Statistical Service		

Proposed Development Objective(s)

The Project Development Objective (PDO) is to improve the availability, quality, timeliness, and use of official statistics for evidence-based policymaking in Ethiopia.

Components

Data Availability and New Data Sources
Quality, Dissemination, Accessibility, and Use
Human, Infrastructural, and Institutional Capacity Development and Coordination
Project management, monitoring and evaluation
CERC

PROJECT FINANCING DATA (US$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	**50.00**
Total Financing	**50.00**
of which IBRD/IDA	**50.00**

Financing Gap	**0.00**

DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Credit	50.00

Environmental And Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Ethiopia's state-led development model produced high economic growth rates and improved living standards in the first two decades of the 2000s, with per capita Gross Domestic Product (GDP) more than tripling[1] along with broad-based improvements in social indicators.** However, macro-economic imbalances, external shocks, and structural weaknesses led to reversals in these gains in the 2020s, with poverty increasing from 33 percent in 2015 to 39 percent in 2021 ($3/day, 2021 Purchasing Power Parity). Ethiopia's growth model relied on an overvalued currency, unsustainable debt, and restrictive regulations that hindered private investment, weakened competitiveness, fueled inflation, and failed to generate enough jobs for the two million young people who enter the labor force every single year. Multiple crises, including COVID-19, the Tigray conflict, and droughts, exacerbated economic imbalances in the early 2020s, culminating in a debt default in late 2023. Double-digit inflation worsened living standards, while the Tigray conflict displaced over three million people, creating a $20 billion humanitarian and reconstruction need. About 15 million people still rely on

[1] Between 2000 and 2020.

food aid. Despite the recent turbulence, economic growth has held up, averaging 6.5 percent per year between 2021 and 2024.

2. **The comprehensive economic reform program launched in July 2024 has helped stabilize the macroeconomic situation.** The FX parallel market premium has significantly fallen from more than 100 percent to the low teens, while the availability of foreign exchange has improved. Economic activity remained robust in 2024/25 with GDP growth of 9.2 percent and was mainly driven by bumper harvest and strong mining activity. Inflation declined from about 20 percent in June 2024 to just below 10 percent during the first quarter of 2026 despite a significant depreciation of the official exchange rate. However, inflation has gone back to double digits since April 2026 mainly reflecting the impacts of the crisis in the Middle East. However, there are significant risks to the macroeconomic environment including delays/reversals in implementing needed macroeconomic and structural reforms, intensification of ongoing conflicts, and spillovers from regional instability (including the Middle East conflict) through trade, remittances, and fiscal channels**.**

3. **Despite improvements, human capital indicators in the country remain low.** By 2021, 86 percent of rural adults had not completed primary education, nearly half of rural households had at least one stunted child, and over a quarter reported having a severely stunted child. Disparities in access to public services by income group are stark, with sanitation facilities and electricity connections being nearly three to four times more prevalent in the top 20 percent of the country than in the bottom 20 percent. The ownership of assets further underscores this divide, as less than 1 percent of the poorest quintile own refrigerators, cars, bicycles, or computers. The poorest households often experience isolation from markets and public services and are disproportionately affected by food shortages and climate shocks.

4. **Ethiopia is one of the most climate-vulnerable countries in Africa, with frequent droughts, floods, and other extreme weather events negatively affecting household and individual welfare.** Ethiopia has faced a total of eight major droughts in the past 15 years. Since 2020, approximately 13 million people have faced severe drought conditions in Southern and Eastern Ethiopia, which are mostly inhabited by pastoral and agropastoral communities.

Sectoral and Institutional Context

5. **The use of statistical information for economic management in Ethiopia has a long history, with the Central Statistical Office (CSO) being founded in 1963 with a mandate to produce official statistics.** The CSO initially reported to the Ministry of Planning and Development (MoPD), and later to the Planning Commission. In 1989, the CSO was restructured to become the Central Statistical Agency (CSA), which was initially accountable to the Council of Ministers and later to the Ministry of Economic Development and Cooperation (MEDAC), then to the Ministry of Finance and Economic Development (MOFED). The Statistics Proclamation of 20 April 2005 (No 442/2005) established the CSA as an autonomous Federal Agency reporting to MOFED. In 2021, through Proclamation 1263/2021, the CSA was replaced by the Ethiopian Statistical Service (ESS), an autonomous federal government body reporting to and requiring approval of the Ministry of Planning and Development (MoPD). The Proclamation also designated MoPD as coordinator of the National Statistical System (NSS) and transferred certain technical statistical quality functions to the ministry. Currently, the legal framework for official statistics is being reviewed to facilitate the modernization of the National Statistical System[2]. The new draft Proclamation puts ESS back at the center of the NSS, which is expected to strengthen system-wide standardization, quality control, and coordination, and provides the legal framework for systematic data sharing across all

[2] The new Statistics Proclamation was endorsed by the Council of Ministers on May 26, 2026, and has been forwarded to the House of People's Representatives for legislative deliberation.

members of the NSS, a foundational requirement for a more integrated data system. The new Proclamation establishes a three-way architecture consisting of the Ethiopian Statistical Board, the ESS, and the MoPD. The board sits at the top of the governance structure and is responsible for strategic oversight of the entire NSS and is tasked, among others, with protecting the professional and operational autonomy of the ESS from undue external interference. The MoPD plays a policy and regulatory role, bridging the government's broader development agenda with the statistical system. It ensures legal compliance across statistical producers, coordinates the design of statistical development programs, and facilitates data integration across government bodies. Finally, ESS is the operational and technical core of the system and retains, according to the draft Proclamation, absolute ownership over statistical methodologies, classifications, and releases.

6. **Since the late 2000s, statistical development in Ethiopia has been guided by a series of National Strategies for the Development of Statistics (NSDS).** The first NSDS covered the period 2009/10 – 2013/14 and sought to improve data quality, develop human and infrastructural capacity, and strengthen NSS-wide coordination. The second NSDS (2015/16-2019/20) built on what was started under NSDS-1, but with stronger emphasis on new demands (like Sustainable Development Goals, greater disaggregation), better coordination, and improved efficiency. Starting in 2023, the Ethiopia Statistical Development Plan (ESDP) pivots towards modernization and digital transformation, integration of administrative data and new data sources, and institutional framework modernization, governance, accountability, and coordination. Under the ESDP, the ESS already digitized the survey and census workflow, started modernizing technology and infrastructure, and established a Big Data Methodology and Analytics Unit which seeks to leverage non-traditional data sources and new technologies.

7. **Investments by the GoE and development partners, particularly IDA, significantly boosted statistical capacity during the 2010s but progress has slowed since the 2020s.** Ethiopia’s score on the Statistical Performance Indicators (SPI) increased from 51 in 2016, during the early years of the Ethiopia Statistics for Results Project (P147356), to 61 in 2021, one year after the closure of the project. Since 2021, however, the SPI score has flatlined as political upheaval and reduced donor support led to increasing survey and census data gaps and administrative data production slowed due to changes in the NSS coordination framework , resulting in a notable reduction in the score on the “Data Sources” pillar of the SPI. Next to salient data gaps, the Ethiopian NSS continues to face systemic challenges that impede the transition towards a modern Integrated National Data System (INDS). These include fragmented data systems with poor interoperability, institutional and human capacity constraints to the integration and use of modern data science methods, and low uptake of innovative technologies, such as big data analytics, mobile data collection tools, and geospatial platforms.

8. **The proposed project will help address the challenges by supporting the modernization of the NSS and laying the foundations for an INDS, while filling the main data gaps.** Modernization of the NSS is a key objective of the ESDP (2023/24-2025/26) and will require sustained investments and reforms in human capacity, technological capacity and infrastructure, statistical business processes, and the regulatory framework. The proposed project will support modernization and data integration from a low base, capitalizing on the broader government-wide digitalization push to invest in digital public infrastructure, data governance and digital skill development as outlined in The Digital Ethiopia 2030 (DE2030) strategy, as well as the opportunities that have emerged in recent years to complement or enhance official statistics (e.g. remote sensing data, Mobile Positioning Data, etc.). At the same time, the project recognizes that traditional sources of data (surveys and censuses) will remain the bedrock of official statistics in the foreseeable future. By filling critical data gaps, improving quality frameworks, improving data dissemination and accessibility, and building the institutional, technological, and regulatory foundations for modernization, the project will directly advance the objectives of the ESDP and reinforce Ethiopia’s broader development strategies.

9. **The operation is aligned with the goals of the Paris Agreement for both mitigation and adaptation.** The project supports Ethiopia's climate strategies (Updated Nationally Determined Contributions 2021, National Adaptation Plan 2019, Long-Term Low Emission Development Strategy 2023) and County Climate and Development Report priorities by modernizing the national statistical system and digital data infrastructure, which enable climate-informed policymaking without hindering the country's low-emissions pathway.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective (PDO) is to improve the availability, quality, timeliness, and use of official statistics for evidence-based policymaking in Ethiopia.

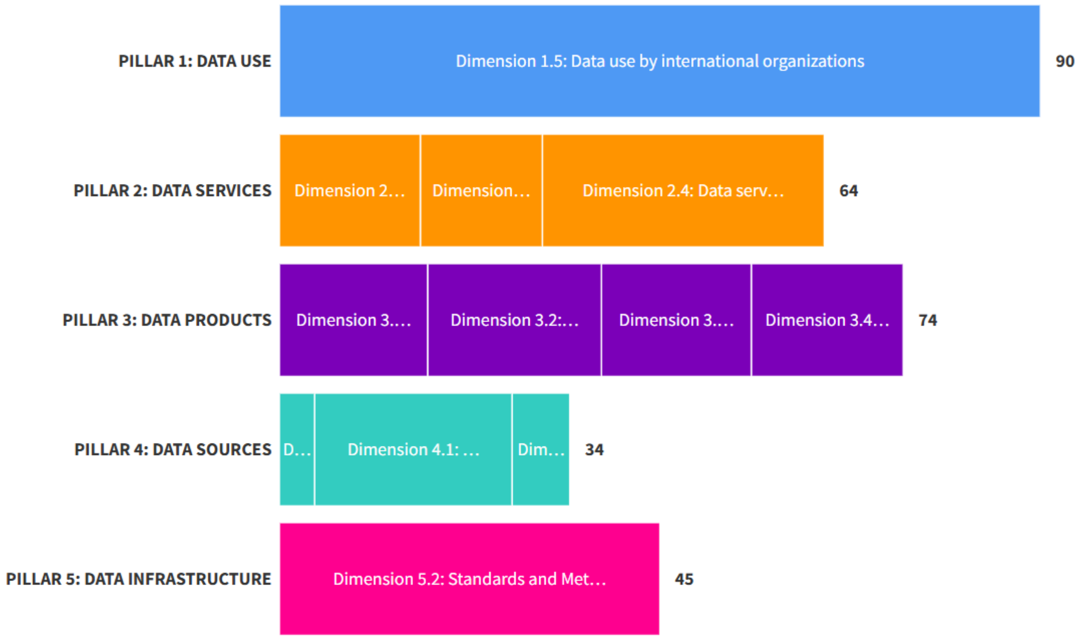
Key Results

10. **PDO level results indicators.** Progress toward the achievement of the PDO will be assessed by four indicators measuring, respectively, the four key components of the PDO: (i) availability, (ii) quality, (iii) timeliness, and (iv) use of official statistics:

- **Availability:** Ethiopia's score on Pillar 4 ("Data Sources") of the Statistical Performance Indicators (SPI). Baseline: 34; Target: 50.
- **Quality**: Ethiopia's score on Pillar 5 ("Data Infrastructure") of the Statistical Performance Indicators (SPI). Baseline: 45; Target: 70.
- **Timeliness**: Execution rate of the Statistical Release Calendar. Baseline: NA (no release calendar); Target: 70%.
- **Use of data:** Number of strategy and policy documents utilizing or referring to data or statistics produced by the operation. Baseline: 0; Target: 15.

11. **The PDO indicators speak directly to the areas where Ethiopia is lagging**. While on data use (by international organizations), data services, and data products, Ethiopia scores relatively well, it lags on data sources and data infrastructure (Figure 1). Project activities are expected to substantially increase the scores on Pillars 4 and 5, while also increasing scores on other pillars, albeit likely more modestly.

Figure 1: SPI Pillars Scores for Ethiopia, 2024



Source: World Bank Group (https://www.worldbank.org/en/programs/statistical-performance-indicators)

C. Project Description

12. **The project will be structured around five components.**

Component 1: Data Availability and New Data Sources — US$26.1 million

13. This component finances priority data collection, strengthens administrative data systems, and pilots the use of new data sources in official statistics. It covers: (i) key social, demographic, and environmental surveys, including preparatory activities for a new Population and Housing Census (the last Census was conducted in 2007), the National Integrated Household Survey (the main source of data on household living standards and poverty in the country), the Demographic and Health Survey, climate surveys, and a Time Use Survey; (ii) economic and price statistics needed to transition to the 2008 System of National Accounts (SNA2008), including an annual construction sector survey, a Construction Input Price Index, a Trade Price Index, and more frequent labor force surveys to support quarterly national accounts; (iii) the foundations of a functioning administrative data system in pilot sectors and the development of a Statistical Business Register; and (iv) piloting the use of Earth Observation data to improve agricultural production forecasts, and building capacity for phone-based surveys to enable higher-frequency data collection. This component is expected to increase the score on the “Data Sources” pillar of the SPI.

Component 2: Quality, Dissemination, Accessibility, and Use — US$6.4 million

14. This component improves the quality of official statistics, enhances key economic statistics, and makes data more accessible and usable. It covers: (i) updating the Ethiopian Data Quality Assessment Framework (EDQAF) and adopting the latest international statistical classifications; (ii) methodological improvements to economic statistics, including completing the transition to SNA2008, rebasing national accounts from the current base year of 2015/16 to a new 2024/25

base year, rebasing the Consumer Price Index (CPI) to 2024/25 base year, producing expenditure-side Gross Domestic Product (GDP) at constant prices, launching quarterly national accounts (as opposed to annual national accounts currently), compiling and publishing the first regional accounts for Ethiopia's 12 regional states, compiling satellite accounts, developing a Metadata Handbook for Economic Statistics, and supporting a new Economic Analysis and Policy Unit, to be housed in MoPD, in building macroeconomic forecasting and policy simulation tools; and (iii) improving data dissemination and accessibility by establishing an annual statistical release calendar, enabling access to anonymized microdata, improving machine-readability of statistical releases, and laying the foundations for AI-ready data and a natural language interface for data discovery. This component is expected to increase the score on the "Data Infrastructure" pillar of the SPI.

Component 3: Human, Infrastructural, and Institutional Capacity Development and Coordination — US$16.2 million

15. This component strengthens the human, infrastructural, and institutional foundations of Ethiopia's National Statistical System (NSS). It covers: (i) hands-on capacity building in both traditional statistical skills and modern areas such as data science, remote sensing, and AI, guided by a five-year capacity building plan (to be updated annually) directly linked to project activities; (ii) IT and infrastructural modernization, including the establishment of a Virtual Desktop Infrastructure to create a secure centralized workspace with reduced cybersecurity and confidentiality risks, purchase of ICT equipment and software, construction of three regional branch offices, and acquisition of field vehicles; and (iii) governance and coordination of the NSS, including revamping technical coordination under ESS, establishing, on a pilot basis, sector-wide systems for data harmonization, quality control, and automated data exchange, and supporting the development of the next two Ethiopian Statistical Development Programs (ESDP).

Component 4: Project Management, Monitoring and Evaluation — US$1.3 million

16. This component supports the establishment and operations of a Project Implementation Unit (PIU) within the ESS, including fiduciary management, procurement, monitoring and evaluation, and coordination with the World Bank and other stakeholders.

Component 5: Contingent Emergency Response Component (CERC) — US$0.0 million

17. This component is a zero-cost component that allows the Borrower, following an eligible crisis or emergency, to request reallocation of uncommitted project funds from other components to support emergency response and reconstruction.

Legal Operational Policies	**Triggered?**
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

18. The project’s overall Environmental and Social Risk Classification is Moderate considering potential risks related to institutional and IT modernization operation, small-scale civil works to rehabilitate offices and building three new offices, and TA and capacity building activities. Environmental risks are localized and readily manageable: construction-related nuisances (dust, noise), small volumes of construction waste and potential e-waste from IT upgrades, resource use (water/energy), and temporary community safety issues (traffic and access disruptions). No significant or irreversible impacts are anticipated. Social risks are also moderate. ESS5 is expected to be triggered if land acquisition is required for the three regional office construction. Key risks relate to labor and working conditions (ESS2), including occupational health and safety for workers and contractor management, and community health and safety (ESS4), including potential labor influx with associated risks of GBV/SEA and SH. There is a risk of exclusion of vulnerable and marginalized groups from both the data collection process and the use of project benefits (data access/use) if stakeholder engagement is not robust and targeted outreach is not conducted. To effectively manage the project's environmental and social (E&S) risks, the project has prepared and will implement an Environmental and Social Commitment Plan (ESCP), a Stakeholder Engagement Plan (SEP), and a standard Environmental and Social Management Plan (ESMP). The ESMP will incorporate several key plans and procedures, including a Labor Management Procedure (LMP), a Community Health and Safety Plan (CHSP), a Gender-Based Violence/Sexual Exploitation and Abuse (GBV/SEA) Action Plan, and a Waste Management Plan that addresses both conventional construction waste, and electronic waste (e-waste) generated from IT upgrades. These instruments will ensure that environmental and social risks are addressed during implementation.

E. Implementation

Institutional and Implementation Arrangements

19. **The project will be implemented by the Ethiopian Statistical Service.** The ESS is a separate legal entity, with its own budget but is accountable to the Ministry of Planning and Development (MoPD) which is also mandated to develop and monitor national development strategies and compile national and sub-national accounts statistics. Other agencies that are part of the NSS and will benefit from the project will not receive direct funding. The ESS will build on the experience implementing the World Bank the Ethiopia Statistics for Results Project (P147356) from 2014 to 2019.

20 ESS management will have overall responsibility over the project while the Project Implementation Unit (PIU) will implement its day-to-day activities. The PIU will be housed within the ESS and report to the ESS Director General (DG).

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