Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 13-Apr-2017 | Report No: PIDISDSA21166

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Mozambique	P162621	Mozambique National Statistics and Data for Development	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
AFRICA	17-Apr-2017	06-Jul-2017	Poverty and Equity
Lending Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministerio da Economia e Financas	Instituto Nacional de Estatisticas, Ministerio da Economia e Financas, Ministerio dos Transportes e Comunicacoes	

Proposed Development Objective(s)

The development objective is to improve the production and dissemination of quality socioeconomic statistics and support the use of data in evidence based-policy making through improved capacity for spatial development planning and aid data management.

Components

INE Institutional Strengthening and Capacity Building
Data Collection, Analysis and Dissemination
Mainstreaming Spatial Development Planning
Aid Data Management for Enhanced Planning and Budgeting

Financing (in USD Million)

Financing Source	Amount
IDA Grant	55.00
Total Project Cost	**55.00**

Environmental Assessment Category

C - Not Required

Decision

The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Over the past two decades Mozambique enjoyed robust and accelerating economic growth.** Mozambique is a southeast African low-income country with an estimated population of 22.9 million. Following the end of the civil war a combination of relatively sound macroeconomic management, large-scale foreign investment projects and substantial donor support enabled the country to grow fast, expanding by an average of 7.9 percent in the period 1993- 2014, one of the fastest rates in Sub-Saharan Africa (SAA). The patterns of growth have evolved over time. Post-war reconstruction (1993-1997) led to the incorporation of more workers into agriculture, supporting economy-wide growth. After 1998, however, capital-intensive megaprojects focused on the country's natural resources have dominated the growth pattern, but generated limited formal employment opportunities.

2. **Mozambique has not been successful in translating this high growth into equally strong poverty reduction**. Each percentage point of growth has reduced poverty in Mozambique by half of the reduction recorded in SSA. In spite of the poverty incidence going down, official data indicates that close to half of the Mozambican population (46.1 percent) still lived in poverty in 2014/15. Additionally, performance in poverty reduction has been uneven across regions, with some parts of the country – especially the center and the north– accounting for a disproportionate share of the poor.

3. **Recently, Mozambique's economic performance has slowed down due to low commodity prices, drought, conflict and the discovery of previously undisclosed debts**. These factors are contributing to slower growth, higher prices and a weaker currency. The metical depreciated by over 40 percent against the US dollar in 2016, leading to a rapid acceleration of inflation. Inflation has been especially high for the poor as food products account for a dominant share of their consumption basket. In addition, the El Niño phenomenon has caused the worst drought in the country in 35 years. Promoting broad-based growth and inclusiveness requires addressing a number of challenges ranging from very limited economic diversification, low productivity in existing sectors, inadequate physical, human and institutional capital, a weak governance environment, and unequal regional allocation and low quality of public spending.

4. **Effective economic management requires comprehensive, timely and quality data and analysis for evidence based policy making.** The National Development Strategy 2015-2035, the Government program and medium term strategy 2015-19, and the National Strategy for the Development of Statistics (NSDS) 2013-2017/19 recognize that the availability of reliable, accessible, and timely data is necessary to inform the development policies and programs that will support the foundation for sustained economic growth and poverty reduction. Recent years have seen remarkable progress in the

design, collection, elaboration and dissemination of data and statistics across the National Statistical System (NSS). Yet, important challenges in the NSS (financial, physical and statistical infrastructure and human capital, among others) are still pending to provide quality and timely statistics and services that support evidence-based policy, planning, decision-making, good governance, and development initiatives.

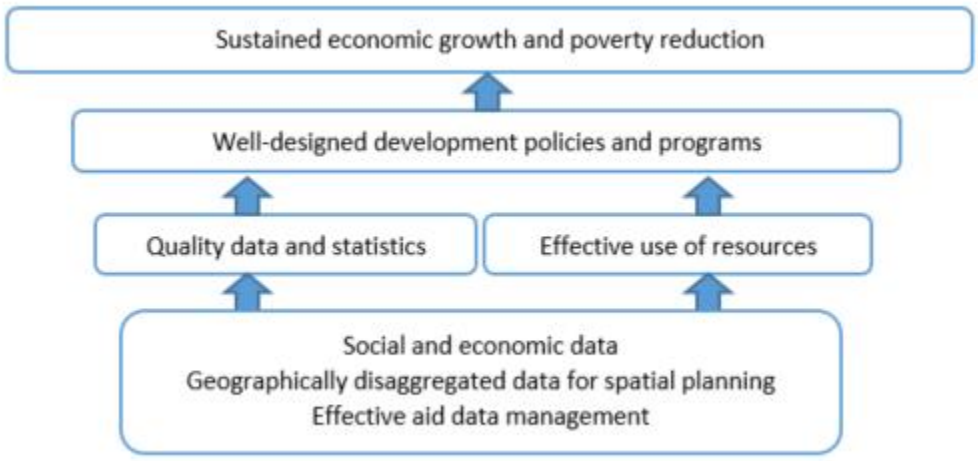
5. **To design economic policies that adequately address regional disparities, geographically disaggregated data is needed.** Currently, few national agencies produce comprehensive spatially disaggregated data, even fewer institutions have developed platforms to integrate available geo-referenced information with analogous data from other agencies. Moreover, there is little awareness among decision makers about the strategic relevance of cross-sectoral spatial analysis for evidence-based planning. Another obstacle is the shortage of technical skills required for geo-reference planning systems. Finally, data sets are dispersed across different ministries and agencies, difficult to access and there is a lack of an integrated strategic data approach across government agencies.

6. **Finally, the implementation of public policies requires integrated management of the full revenue envelope available to the government.** The recent "hidden debt" crisis has shed light on important weaknesses in the management of public finances. The World Bank is supporting the Government of Mozambique (GoM) through various technical assistance programs to strengthen the monitoring and efficient use of public resources. In 2014, 66% of total official development assistance (ODA) --equaling US$ 1.39 billion-- was off budget. The efficient use of this aid money is not only in the interest of donors, but of the Government as well. To ensure their efficient use, effective integration of all aid flows into the national planning and budgeting process is needed. While officially tasked with the role of capturing and managing aid data, at the present time the Ministry of Economy and Finance (MEF) does not systematically consider externally financed development projects while undertaking the national planning and budgeting process.

Sectoral and Institutional Context

7. **The role of quality, timely and accessible national statistics to support and monitor economic development in Mozambique has grown considerably in the last two decades but important challenges remain**. The National Statistical System (NSS) was created by an Act passed by Parliament in 1996. Since then, the NSS has seen remarkably progress in the delivery and dissemination of statistics but key challenges remain across the system. Addressing these obstacles requires a phased approach. The first phase, supported by this project as shown in Figure 1, focuses on addressing factors that constraint the production of essential social and economic statistics and their use to guide policy action and evaluate progress made. The three overarching objectives of this first phase are: i) strengthening NSS strategic planning and coordination and enhancing human and ICT infrastructure at the National Institute of Statistics (the central player of the NSS) to fill key gaps in data collection, processing, analysis and dissemination; ii) enhancing the use of statistics for spatial development planning to increase efficiency and equity in public expenditures, and iii) enhancing aid data management for improved planning, budgeting, and monitoring of overall development spending. Subsequent phases of support are expected to gradually shift the focus to address gaps in statistical development across other key actors in the NSS.

Figure 1:



8. The National Statistics Institute (INE) is the main official provider of statistics in Mozambique. The Presidential Decree No. 9 of 1996 created INE as a semi-autonomous institution operating under the Ministry of Economy and Finance (MEF). As the nodal institution of the NSS, INE is responsible for coordinating the national policy on statistics and the development of the system. INE is also the main government agency responsible for the production and dissemination of official statistics required to guide the development policy of the country. INE's statistical production and dissemination focuses on (i) population statistics, (ii) poverty and social statistics, (iii) economic statistics, (iv) business and industry statistics and (v) geo-information services. To fulfill that responsibility, INE collects data from

primary sources through frequent censuses, surveys and administrative data and compiles secondary information from other data producers.[1]

9. Mozambique has a tradition of strategic planning to guide the country's statistical development. The country launched its first five-year National Strategy for the Development of Statistics (NSDS1) in 1997. The NSDS1 has been followed by three subsequent strategies: NSDS2 (2003-2007), NSDS3 (2008-2012) and the current one, NSDS4 (2013-2017).[2] The current NSDS sets out as the main objectives: (i) *strengthening the production and dissemination of timely quality statistics*, including economic, demographic, social and vital statistics as well as other standard indicators to monitor progress of major development programs and strategies, with a strong emphasis on the household welfare surveys and the fourth population and housing census planned for 2017; (ii) *coordination of the production and quality of statistics*, focusing on processes within the NSS to facilitate, harmonize and simplify the collection of statistical data and on developing a quality assurance framework; and (iii) *sustainable institutional capacity building* by developing an incentive-based performance and training system that ensures a constant inflow and high retention of skilled and motivated staff into the NSS.

10. In spite of progress attained in recent years, the NSS faces a number of challenges to achieve the objectives set out in the NSDS4. The main challenges identified in the strategic plan and recent discussions with INE include the following:

a) Data collection, processing, storage, and analysis;
b) Human, physical (primarily ICT), and statistical infrastructure;
c) Dissemination, timeliness, and accessibility to data and statistics;
d) Technical capacity limitations;
e) Adequate and predictable funding for statistics,
f) Staffing gaps, professional development strategies and training on statistics

11. Progress in statistical development in Mozambique appears to have stalled in recent years. The World Bank's 2016 Country Statistical Information Database shows that Mozambique has an overall Statistical Capacity Indicator (SCI) score of 71.1, still above the SSA average of 59.9[3], explained by higher periodicity of the data and better statistical methodology[4] (Figure 2, left panel). However, in the last five years the SCI has been falling steadily from a score of 77.8 in 2012. This is driven by reduced availability of survey and population census data need to measure key socioeconomic indicators, and by the lower

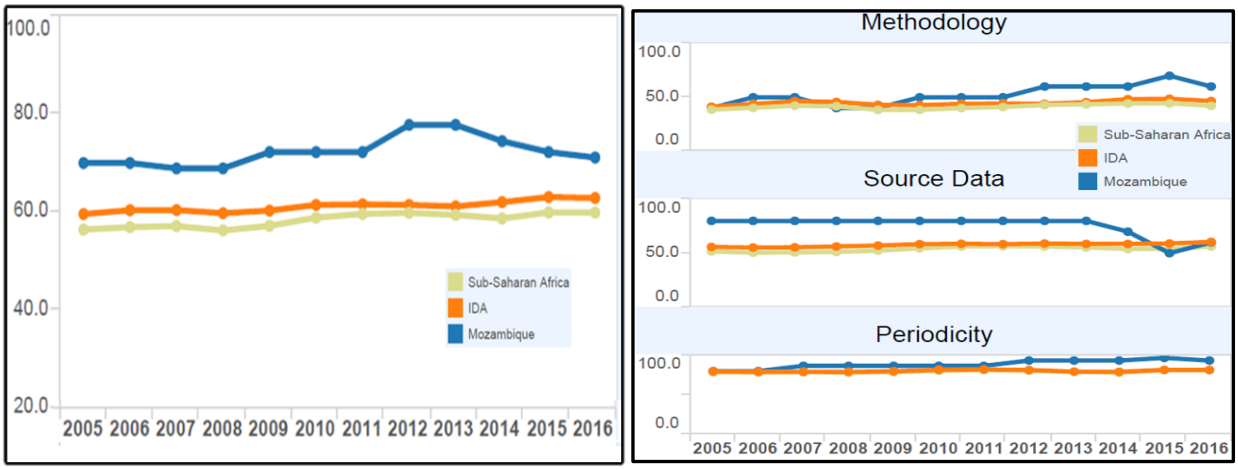
[1] Other important members in the governance structure of the NSS are the Central Bank of Mozambique and the Population Census Coordinating Council. In addition to INE, other government ministries, departments and agencies as well as provincial governments are also part of the NSS.
[2] INE, as the focal point for the NSS, is considering the extension of NSDS3 for two or three more years.

[3] The Statistical Capacity Indicator (SCI) is based on a diagnostic framework developed with a view to assessing the capacity of national statistical systems using metadata information generally available for most countries, and monitoring progress in statistical capacity building over time. The framework has three dimensions: statistical methodology; source data; and periodicity and timeliness

[4] For instance, more recent methodologies for the compilation of balance of payment statistics, year base for the consumer price index and the reporting status of external debts.

frequency of these indicators (Figure 2, right panel). The current score for the availability of data ("Source Data") is at the level for SSA, while it was 24 points above it in 2010. International best practices recommend that health and poverty surveys are carried out at least once every three years; however, in Mozambique they are carried out every six to eight years. Consequently, the information available regarding the demographic and socioeconomic characteristics of the population, including the poor, do not reflect the current state of affairs. Some of the sectoral statistics (public and private finance statistics, trade statistics, industrial statistics, price statistics, etc.) are insufficient and of low quality to assess the performance of the economy.

Figure 2: Trends in the Statistical Capacity Indicator (SCI) – Total and by components



Note: Panel on the left shows the trend for the total SCI and panel on the right shows the trends for each of the three components of the SCI.

Source: Statistical Capacity Indicator database (2016)

12. The current most pressing challenges in the NSS include the new population census, other key data gaps (household surveys and economic statistics), limited capacity and institutional weaknesses. The last population census in Mozambique is from 2007; however, substantial changes associated with population dynamics and settlements in recent years are rendering the data outdated. This also undermines the accuracy of statistics that incorporate population dimensions, including macroeconomic statistics (such as GDP per capita), service access and poverty measurements. Mozambique's fourth population census is scheduled for August 2017, but lack of funding is putting at risk its implementation and quality. Households surveys used to measure poverty and track the evolution of other socioeconomic indicators are collected infrequently (every 6 or 7 years) and survey design, collection and analysis issues hinder the accuracy of the data. Data, methodological and technical capacity gaps limit the coverage and quality of national accounts, price indicators, trade statistics, poverty rates, labor force and other socioeconomic indicators to adequately reflect the economy and the evolution of development outcomes. INE also lacks the physical and human resources required to effectively perform its growing coordination and quality control responsibilities with respect to other actors of the NSS.

13. Spatial development planning across different government levels and sectors can contribute to increasing the effectiveness and efficiency of public policies and programs in Mozambique. As in many countries, it is particularly challenging for the government to manage and maximize the impact of a large, diverse, and geographically spread portfolio of investments. With the absence of adequate cross-sectoral spatial planning, there is a very high risk of waste, misuse or under allocation public resources. Lack of cross-sectoral integration and coordination also undermines the impact of investments as each project is developed and executed without taking into consideration synergies with the investments in other sectors.

14. Between 2011 and 2015, the Government of Mozambique developed the National Inter-Agency Spatial Planning Platform (PDE)[5]. Managed by the Ministry of Transport and Communication, the PDE platform comprises a state-of-the-art multisector national geographic information system (GIS) open to the public and to institutional users. The PDE is intended to foster cross-sectoral spatial development planning by integrating, analyzing and providing access to geo-referenced national statistics and sectoral data from national ministries and agencies. The platform stores an extensive database (more than 70 thematic maps and georeferenced datasets), sophisticated analytical tools, and a large catalogue of high-definition satellite images, covering national and sectoral censuses and household surveys, geographic information, land use, ICT networks and public infrastructure (such as roads, rails, health and education facilities), among others. The GIS not only serves as a one point of access for all spatial data, but also offers an online GIS system that any agency can access, store, download, and analyze spatial data relevant to their sector.

15. However, the PDE Platform has not been mainstreamed into other sectors. Even though the PDE Platform was launched by President Filipe Nyusi in October 2016, the platform has not yet gained much traction in ministries and national agencies outside MTC. Further efforts are required to build capacity in the utilization of the platform across the main ministries and national and subnational agencies and avoid fragmentation and inefficiencies in current spatial development planning practices. Different governmental entities and private organizations will continue to develop their own GIS's in an uncoordinated manner, wasting resources with multiple licenses, satellite images, and producing data without a common platform and technically sound protocols.

16. Furthermore, the lack of comprehensive, timely, and comparable data on aid flows limits the efficiency, effectiveness, and transparency of both domestic and foreign development resource spending in Mozambique. Compounding the problem is that Mozambique is an aid dependent country: according to the Organization for Economic Cooperation and Development (OECD), Mozambique is the sixth largest recipient of ODA in Africa (UNDP, 2015) and World Bank data shows that net ODA accounted for 12.6 percent of gross national income (GNI) in 2014. However, in spite of significant improvements in public finance management over the past decade,[6] Government still does not have a

[5] The World Bank assisted the Government of Mozambique in implementing the Spatial Development Planning Technical Assistance (SDP TA -P121398) program from 2011 to 2015. The project PDO was to provide financial and technical assistance to improve national social and economic development planning through the introduction, institutionalization and mainstreaming of multi-sectorial spatial development planning methodologies and practices.

[6] Such as the expansion of the e-SISTAFE information technology platform to cover budget preparation and execution, the reporting of expenditures, the creation of a single treasure account, and the updating of the procurement decree in 2016 to

comprehensive grasp of overall aid flows into the country, in particular off-budget commitments, disbursements, and expenditures. ODAmoz, MEF's aid information management system (AIMS) designed to capture and manage aid data, is inadequate in large part because it does not use, nor is it comparable to, Mozambique's Chart of Accounts data definition. This incompatibility complicates the integration of aid data with official budget data, meaning that the national budgeting and planning process results in decisions about domestic development resource allocation and use that have not taken into account externally financed development spending, which totaled over US$2.2 billion for Mozambique in 2015.

17. The minimal use of aid data by GoM has decreased the incentive of development partners to report the data to MEF, as well as the incentive of MEF itself to capture and manage that data. This has created this suboptimal status quo of low data reporting, capture, management, and analysis, undermining the overall government finance statistics and necessitating TA and financial support to support improved efficiencies in development resource allocation and use. This Project proposes to build the capacity of MEF to capture and manage aid data for use in Government's planning and budgeting process. Key players in the aid data management and use processes include MEF's Directorate of Cooperation (DC), which holds the mandate to capture and manage aid data and oversee ODAmoz, as well as other national directorates within MEF that seek to use this aid data, such as the National Directorate of Planning and Budgeting (DNPO), the National Directorate of the Treasury (DNT), the National Directorate of Monitoring and Evaluation (DNMA), the Directorate of Economic and Financial Studies (DEEF), National Directorate for Public Accounts (DNCP), and Center for Development of Financial Information Systems (CEDSIF).

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The project development objective (PDO) is to improve the production and dissemination of quality socioeconomic statistics and support the use of data in evidence based-policy making through improved capacity for spatial development planning and aid data management.

Key Results

18. The main outcome will be improved quality and of key statistics produced and disseminated by INE and enhanced aid data management and spatial development planning capacity for evidence-based policy making. The progress towards the PDO will be measured by:

1) Increase in the Statistical Capacity Index (SCI)
2) NSDS 2020-2024 is drafted and adopted

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align with best practices.

3) Number of statistical products supported by the project that are designed, implemented and disseminated in line with international standards
4) Increase in the quality of national accounts by (i) coverage of the formal and informal sectors, (ii) geographic coverage and basket of the CPI, (iii) updated and published description of sources and methods, and (iv) rebasing to year 2015
5) Number of census and survey datasets anonymized and accessible through INE's portal
6) Number of priority institutions that utilize the Spatial Development Platform in the formulation and monitoring of their policies, programs and plans as agreed under the Memorandum of Understanding
7) Number of discrete AIMS dataset or data report views or downloads

D. Project Description

19. The proposed project activities will focus on the core features to produce quality, timely and reliable statistics, enabling cross-sectoral evidence-based development policy making and fostering transparency and government accountability. The underlying logic of the project is to strengthen the foundations of a virtuous cycle that ranges from producing more, better and accessible statistics to a more regular use of statistics for regular analysis and policy making to a stronger commitment to government accountability and transparency (Figure 1). In light of that, the proposed project is structured around the following components: (1) INE Institutional Strengthening and Capacity Building; (2) Data Collection, Analysis and Dissemination; (3) Mainstreaming Spatial Development Planning; and (4) Aid Data Management. The project is proposed to have a duration of five years starting with the approval of the project by World Bank and the Government of Mozambique. The activities in the project were selected according to Government demand and consistent with the following three criteria: (i) core features of a modern statistical system; (ii) aligned with the World Bank Group's (WBG) comparative advantage in technical assistance; and (iii) closing critical data and skill gaps in spatial development planning and development data management to inform policies and programs in Mozambique.

Component 1: INE Institutional Strengthening and Capacity Building (Total of US$4.5 million)

20. Component 1 will support INE to create the enabling environment necessary to fulfill its mandate. The component will support strengthening INE's ability to strategically plan and coordinate the vision for the NSS as well as provide quality assurance in the production of statistics. This component also supports the foundational human resources and ICT infrastructure necessary for INE to lead the NSS and fulfill its mandate as the main producer of timely and objective official data and statistics. Component 1 is comprised of four sub-components as follows:

Sub-component 1.1: NSS strategy, coordination and quality assurance (US$0.4 million)

21. Mozambique's NSS Strategic Plan 2013-2017 highlights the need for continued strategic planning and better coordination and quality assurance in the production of statistics. The project will support the evaluation of the current NSDS and the production of the strategic plan for statistical

development (2020-2024). These two activities will provide a comprehensive and unified framework to identify the priorities for the overall NSS moving forward and set out the strategies to meet these needs in a more coordinated and efficient manner. The coordination of statistical activities in the country is important to avoid redundancies, create synergies and ensure high quality standards.[7] INE is the lead agency with the responsibility of coordinating the NSS and providing technical and methodological guidance. However, inter-sectoral coordination is weak. This is also in light of the growing demand for statistical information, many of which rely on routine/administrative data. The project will also support other areas that important for INE to fulfill its coordination and quality assurance roles: updating and implementation of mechanisms for data production harmonization and quality control; increasing INE's technical capacity on statistical quality assurance; and increasing communication, knowledge exchange and coordination with key actors of the NSS and users of statistics.

Sub-component 1.2: INE skills-development and technical capacity (US$1.3 million)

22. A skilled workforce is a key element for the development of high quality statistics and for the sustainability of the project outcomes. Through this sub-component, the project will invest in updating a staff competence and training needs assessment as well as implementing a skill enhancement program for staff based on the gaps identified in the needs assessment. This sub-component will target skill development in areas that are complementary to technical training inherent to the data collection and statistical production activities supported by the project. INE's National School of Statistics (ENE) is expected to be at the center of the activities to implement the skills development and technical capacity strategy. The ENE lacks staff with advanced degrees in statistics to deliver the different training programs, needs minor physical renovations and lacks basic furniture and ICT equipment to enhance the delivery of face-to-face and remote training to provincial offices (ICT investments for ENE are described in the next subcomponent). INE also plans to build a language lab within ENE to improve the language skills of its technical staff.

Subcomponent 1.3: Investment in ICT (US$1.8 million)

23. The availability of timely and quality statistics requires and adequate technical set up to collect, process and disseminate data. The proposed project will support ICT infrastructure development at INE along two broad areas. The first of these areas focuses on ICT capacity building and

[7] INE has 11 offices at the provincial level and 128 rural focal points of statistics production. Several other institutions outside INE are also part of the NSS, many of them with assigned competences for collecting, producing and publishing official statistics for the respective sector.

includes the preparation of the strategic ICT plan. Another aspect of ICT capacity building to be supported by the project includes training in areas such as management, coordination and maintenance of hardware, software and network, computer programming and help desk support services. The second area of engagement will finance the needed upgrade of the ICT infrastructure at INE to ensure efficient workflows for data collection, processing, analysis and storage. This include investments to improve data connectivity and video conferencing between headquarters and the 10 regional offices; strengthening data exchange systems to be used by INE and other actors of the NSS; expanding the Integrated System of Economic Statistics (SIEE) to include demographic and social data and indicators; and developing ICT inventory and support management systems. This subcomponent will also support the ICT infrastructure required (laptops, videoconferencing and language lab hardware and software) for in-house training activities at the ENE.

Subcomponent 1.4: INE Project Management (US$1 million)

24. This subcomponent will support INE's capacity to plan, manage and implement the non-technical aspects of all project activities under Components 1 and 2. This sub-component will provide financing that enables INE to: (a) prepare annual work plans and budgets; (b) carry out all disbursements and any financial management and procurement-related activities in accordance with World Bank–approved procedures; (c) prepare and consolidate periodic progress reports; and (d) monitor and evaluate project activities. The unit will be supported by international consultants, if needed, with a focus on building the capacity of the unit over the initial phase of the project.

Component 2: Data Collection, Analysis and Dissemination (Total of US$39.5 million)

25. The production and dissemination of quality statistics is a key component of the 2013-2017 five-year strategic plan. The last population census is from 2007 but substantial changes associated to population dynamics and settlements in recent years are rendering the data outdated. The Government launched the project for the fourth population census to be carried out in August 2017 but lack of funding are putting at risk its implementation and quality. Additionally, INE has identified some areas where financial assistance would be required to strengthen the relevance and quality of its program of household surveys and economic statistics. This component will therefore provide funding to support the Population and Housing Census (2017), enhance the welfare monitoring system, improve the national accounts the Consumer Price Index (CPI) and enhance data analysis and dissemination. Component 2 is comprised of the following four sub-components:

Subcomponent 2.1: Population and Housing Census (US$25 million)

26. The 2017 population census will provide basic demographic and socio-economic data and will be key for the design of future statistical operations and the planning and monitoring of the Government's development programs. The Government launched the fourth population and housing

census in 2015. In addition to providing an updated sample frame for data collection between censuses, data from the 2017 Population and Housing Census will be critical to monitor key development indicators as well as for the implementation and evaluation of public policies, programs and the overall poverty reduction strategy. The population census consists of several phases that include the cartography, pilot census, enumeration and data processing and analysis

27. Preparatory activities are well advanced but the estimated timeline to complete the census is very tight. INE has worked with the United Nations Population Fund (UNFPA) to define the governance structure, methodology, budget and timeline. The pilot census was completed at the end of 2016. To date around 92 percent of the cartographic updating to define the enumeration areas has been completed – the full updating is expected by the end of April 2017. A strategy for the recruitment and training of enumerators and supervisors is in place and other activities such as identification of local guides and transportation logistics are set to start soon. The enumeration phase is planned for the first two weeks of August 2017 and alternatives to reschedule it are limited. Most field supervisors and controllers are school teachers and for that reason the timing of the census was set by the Government to overlap with the school break in August. The rainy season goes from October to March. The local elections in 2018 and the Presidential elections in 2019 further complicate conducting the census in any of those years.

28. Financing from the proposed project will contribute to filling a serious budget gap. Government financing will be complemented with resources from several donors. The census is estimated to cost around US$75 million. Approximately US$9.5 million was spent on census activities in 2015 and US$14.7 million in 2016, mostly funded by the GoM (US$20 million) while some development partners provided the rest of the funding. There remains a funding gap of US$50.8 million to meet the budget for 2017 to 2019 census activities. The contribution from the GoM is US$10 million whereas contributions from development partners (excluding the World Bank) are anticipated to amount to about US$14.5 million. This project will provide an additional contribution of US$25 million. Another issue is that part of the resources already committed by some development partners are not currently available for activities that need to start immediately. The Government and the World Bank are exploring several options, including IDA retroactive financing and resources from preparation advance.

29. The uncertainty in the financing for the activities expected to start immediately, the large mobilization of human, financial, and material resources required in a short period of time, the need to carry out lengthy fiduciary processes, and the limited capacity at INE could delay the implementation of the census. The enumeration phase of the census will mobilize over 80,000 people (around 68,000 enumerators and 15,000 supervisors and controllers). More than 15 million paper questionnaires are to be dispatched around the different regions of the country. In addition to the urgency to secure the financing for the upcoming activities (such as continuing to update the GIS, communication and awareness campaigns, selection and training of enumerators and supervisors, etc.) the fiduciary controls are lengthy and should start immediately if the census is to be completed in the proposed timeline. Financing these activities with retroactive financing and/or a preparation grant requires training INE on the new WBG procurement guidelines, which might result in additional delays; this is particularly important given the limited experience of INE implementing Bank-financed projects.

Subcomponent 2.2: Welfare Monitoring System (US$12 million)

30. The current welfare monitoring system in Mozambique collects data every six years making it difficult to track the evolution of poverty and other social indicators on a regular basis. INE has conducted four household budgetary surveys (IOF for its acronym in Portuguese) in the last two decades (1996/1997, 2002/2003, 2008/2009 and the most recent in 2014/15). Although the IOFs produce key poverty and social indicators, the long time elapsed between them does not allow for more frequent monitoring of these indicators. The project will support the setup of a welfare-monitoring system delivering poverty numbers every three years, in line with international standards. The backbone of this system will consist of two household budget surveys (2018/19 and 2021/22), which interview a sample of about 12,000 households over 12 months (to capture seasonality factors), making representative at the province and urban/rural level. The surveys will be implemented using Computer Assisted Personal Interview systems and will adopt the new World Bank protocols on survey design. This sub-component will also finance technical assessments to uncover and address the factors driving the underreporting of expenditures in the current IOFs.

31. The GoM is also interested in developing a mechanism to complement the standard budget surveys with shorter ones to measure poverty in a more regular basis. Collecting detailed, high quality data on household incomes and expenditures is costly, time consuming and requires strong technical capacity. The objective of this activity is to develop a lighter household survey (without including income and expenditure data) in 2019 or 2020 to infer poverty based on household characteristics. At the same time, a shorter multi-purpose survey could provide data to monitor other social and economic indicators. INE developed in the past a lighter survey with similar purposes but its design needs to be revisited to further reduce the length of the questionnaire, revise its geographical coverage and strengthen its focus on variables that are strong determinants of household consumption.

32. There are gaps in technical capacity on poverty data, measurement, and diagnostics. MEF with TA from the University of Copenhagen and UN-Wider has the responsibility of producing poverty estimates and analysis. However, INE expressed an interest and willingness to develop the technical capacity of its own staff to take over this responsibility and generate these estimates on their own. This would align INE with practices followed in most national statistical institutions in other parts of the world. The implementation of the two surveys in 2018 and 2021 will give INE staff the opportunity to build capacity in generating poverty estimates.

Subcomponent 2.3: National Accounts and Consumer Price Indicators (US$1.7 million)

33. The current system of national accounts and other economic statistics face several constraints that undermine their coverage and quality and therefore limit their ability to accurately reflect the structure and dynamics of the economy. Currently, national accounts are estimated based on incomplete data such as missing informal sector data and retail statistics mostly limited to Maputo. The current benchmark year for the system of national accounts is 2008 but international guidelines

recommend changing the base period about every five years. The project will provide technical assistance to INE for the rebasing and updating of the series to 2015 and will help close data gaps in some economic sectors (e.g. transportation and construction) and the informal economy.

34. INE is currently developing an online system to capture and analyze integrated economic statistics for measuring the country's economic activity. The SIEE, a portal where firms are required to upload their data is an effort to increase the quality and frequency of firm-level data and reduce the costs of collecting it. The platform automatically runs consistency and validation checks and produce key indicators.[8] However, operationalizing the SIEE will require extensive training, both internally with staff from headquarters and the regional offices and externally with the firms.

35. The data and geographical coverage of the current CPI does not capture price dynamics in key urban markets and economic sectors. The national CPI currently covers only Maputo, Nampula and Beira, excluding important urban centers in other provinces. INE plans to expand the coverage of the CPI to nine of the eleven provinces in the country. In addition, outdated data for the imputation of house rents and the use of non-conventional units to measure the consumption of several basic goods constraint the tracking of price changes over time and across regions. INE's technical capacity on CPI measurement methodology and analysis also needs to be reinforced.

Subcomponent 2.4: Data Accessibility (US$0.8million)

36. Open and timely access to anonymized data contributes to transparency, supports evidence-based policy making and creates user demand for high quality statistics. In spite of efforts to make data and statistics available to the public, several obstacles remain at INE and other actors of the NSS. Implementation of publications plans is weak; there is laco of an an effective marketing unit for services and products of the NSS; there is a multiplicity of databases for the same surveys; and measures to fully protect micro-data (ie. data related to individual respondents) against improper disclosure are not in place. The project will support an update of INE's current microdata access and information policies and dissemination practices. In addition to this, the project will finance TA on statistical data anonymization techniques and solutions for protecting micro-data against identity and attribute disclosure. In addition, the project will support the development of an online platform to share aggregated information and microdata from censuses, surveys and other sources. For instance, anonymized datasets of the IOF swill be made freely available in the micro-data library.

Component 3: Mainstreaming Spatial Development Planning (Total of US$ 10 million)

37. The aim of this component is to enhance spatial development planning capacity across priority

[8] Given that some firms still do not have access to internet or prefer to fill out physical questionnaires, the online system will be run in parallel with the traditional paper-based data collection system to ensure high response rates and the statistical representativeness of the sample.

national government agencies, to ensure the sustainability and institutionalization of the PDE platform, and to enhance development of skills in spatial planning in Mozambique's public sector. The project will finance primarily spatial planning technical assistance, development of SDI policy and regulatory framework, GIS platform management, capacity building and project unit implementation costs. The purchase of GIS equipment, software and data gathering (high-resolution satellite imagery and sector data collection) is not the focus of this project. However, the project might provide limited financial support in these areas if proven critical in the context of mainstreaming spatial planning in the priority agencies. Several of the statistical products supported in this project (for instance, the Census 2018, the welfare household surveys, and the AidData) are expected to provide key data to feed the spatial development-planning platform. Component 3 is comprised of the following five subcomponents:

Subcomponent 3.1: **Cross-Sectoral Institutional Development on Spatial Development Planning *(US$4.17 million)***

38. This subcomponent also supports the mainstreaming of the spatial planning and the utilization of the SDP platform in priority national agencies where demand, ownership and impact have been identified. Specific activities will include: i) mainstreaming of spatial planning in relevant sectoral policy formulation, development planning, and monitoring and evaluation across the selected national institutions; and ii) developing new tools, applications, and methodologies to integrate spatial data, analysis and planning in the national planning processes across the selected national institutions. In regards to improved capacity for spatial development planning, the following priority agencies have been identified: the Ministry of Economy and Finance (MEF), the Ministry of Land, Environment and Rural Development (MITADER), the Ministry of Transport and Communication (MTC), the Ministry of Health (MISAU), the Bank of Mozambique, the National Communications Institute of Mozambique (INCM), the National Roads Administration (ANE), and the National Institute of Disaster Management (INGC).

Subcomponent 3.2: **National Policy and Institutional Framework of Spatial Development Planning *(US$1.99 million)***

39. This subcomponent will provide technical support to Mozambique's authorities towards the permanent insertion of the PDE platform within the country's public sector. Specific activities will include: i) development of national strategy, norms and standards for GIS infrastructure and spatial data (e.g., data quality standards and validation, database integration, security); ii) development of business plan, governance statutory framework, and the institutional, legal and financial arrangements to ensure the sustainability of the PDE system in the medium and long-term; iii) formulation and initial implementation of a 5- to 10-year national Spatial Development Infrastructure strategy; iv) creation of a detailed annual plan for mainstreaming spatial planning across national agencies, sub-national governments, services providers, private sector, and civil society organizations; and vi) design and implementation of a communication strategy to increase the outreach of the PDE system.

Subcomponent 3.3: **Spatial Development Planning Learning *(US$0.52 million)***

40. This subcomponent will provide support to the selected academic institutions (i.e., the Faculty of Geography, and Faculty of Architecture and Physical Planning at the Eduardo Mondlane University) for the development of high quality (accredited or tailor-made) training programs on spatial planning and analysis. This component will also provide support the training of technical staff, mid-career, and senior government officials of the selected national institutions.

Subcomponent 3.4: **GIS Platform Management and Operation Costs *(US$1.44 million)***

41. This subcomponent will provide support to operate and manage the GIS Platform. Specific activities and operating costs in this area include: i) GIS platform software licenses and maintained costs; (ii) spatial planning, GIS, and communication technical team.

Subcomponent 3.5: **SDP Unit Management *(US$1.47 million)***

42. This subcomponent will finance the core project implementation unit functions for Component 3. Specific activities in this area include: (i) overall planning, management, coordination and reporting; (ii) financial management and procurement; (ii) monitoring and evaluation; (iv) PIU office management costs.

Component 4: Aid Data Management for Enhanced Planning Budgeting and Monitoring (US$1.0 million)

43. The objective of this component is to enhance GoM's aid data management for improved planning, budgeting, and monitoring of overall development spending. This component will include technical improvements to the country's AIMS and enhanced human capacity among government stakeholders for the capture, management, and use of aid data. The proposed component is structured into the following four activities: (i) Technical and Data Specifications of Aid Data; (ii) Design and Development of new AIMS; (iii) TA on Data Collection, Management, and Use for Planning and Budgeting as well as Monitoring and Accountability; and (iv) Capacity Building of DC and DNPO.

44. Technical and Data Specifications of Aid Data. Underpinning effective aid data management is the institutionalization of its place within national public financial management (PFM) processes. Building on the World Bank's recently concluded functional assessment of aid data management,[9] this

[9] World Bank (2016). "Republic of Mozambique: Aid Data Management Assessment."

activity will complete a comprehensive mapping of system requirements and data specifications. It will also address related, relevant data housed outside of ODAmoz, including concessional loans in Mozambique's Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) database; public investment information in line with the future Public Investment Management (PIM) system currently being designed with the support of the World Bank; and non-financial aid data that is currently not being captured by any database, such as in-kind grants.

45. Design and Development of new AIMS. Improved aid data management requires a modern AIMS that directly interfaces with the State Electronic System of Financial Administration (e-SISTAFE), Mozambique's Integrated Financial Management Information System (IFMIS). The system would either be integrated in e-SISTAFE or be a stand-alone system linked to e-SISTAFE both in terms of data standards as well as automatic data exchange. Such a system would allow development partners to input data on off-budget and off-Single Treasury Account (CUT) projects through a web-enabled interface and push that data into e-SISTAFE to record and account for reported expenditures. The system would also pull on-budget and on-CUT data from e-SISTAFE to then present *all* aid data flows in open format to the public, alongside overall public finances.

46. TA on Data Collection, Management, and Use for Planning and Budgeting as well as Monitoring and Accountability. A skilled workforce in MEF, coupled with trained development partners, is needed for proper aid data collection, management, and use. TA will support the enhancement of data accessibility and dissemination practices within DC. This includes ensuring efficient work flows for data collection, cleaning, analysis, and dissemination. In addition, TA will also provide hands-on guidance to DNPO on best practices for using aid and other data (e.g., data analysis, visualization, and interpretation for policy making) to increase the efficiency and effectiveness of national, sectoral, and geographic resource allocation and use. Such use trainings will be provided to planning officer teams in a select number of line ministries. Besides use in planning and budgeting, timely and comprehensive disclosure of aid data is also critical to ensure transparency of the aid flows and hence create conducive environment to hold development partners and implementing agencies. TA to government officials, development partners, and non-state actors (NSAs) will focus on increasing demand for such data, as well as boosting their capacity to access, understand, and analyze aid data.

47. Capacity Building of DC and DNPO. This activity involves the training of MEF staff involved in data collection, management, and use, as well as skills enhancement around data management, manipulation, visualization, and analysis. It will also include training of trainers to support Government establish and implement regular trainings for development partners and select Project Implementation Units (PIUs) on proper data reporting, as well as for other Government officials on proper data use.

E. Implementation

Institutional and Implementation Arrangements

48. Project management. The project has three implementing agencies. INE will implement Components 1 and 2. MTC will implement Component 3 and MEF will implement Component 4. Each implementing agency will be responsible for carrying out day-to-day activities and to handle the

management, reporting and auditing responsibilities in accordance with WBG procurement, disbursement and financial management policies. Each implementation agency will prepare an operations manual, annual work plans, procurement plans and annual reports. Each implementation agency will appoint a project coordinator. Due to the nature of the complexities of executing a population census, INE will supplement its own fiduciary staff with an additional financial management specialist and accountant to execute sub-component 2.1.

49. Project oversight. A project steering committee (PSC) will be established to oversee implementation of components 1 and 2. The PCS will oversee project progress and approve the annual work plans and annual reports. Since Component 3 has a cross-sectoral nature, the oversight will be under the responsibility of an Inter-Ministerial Committee at political level led by MEF and MTC, and an Inter-Agency Group at technical level. The composition and additional oversight duties will be confirmed during appraisal.

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F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

N/A

G. Environmental and Social Safeguards Specialists on the Team

Alfredo Ricardo Zunguze,Paulo Jorge Temba Sithoe,Eden Gabriel Vieira Dava,Maria Do Socorro Alves Da Cunha

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	
Safety of Dams OP/BP 4.37	No	

Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
No safeguards issues have been identified for this project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No safeguards related large scale, significant and/or irreversible impacts are anticipated.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
No safeguards issues have been identified and thus no such assessment of borrower capacity has been undertaken.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
There are no safeguards related consultations.

B. Disclosure Requirements

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?
NA
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
NA

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
NA

Have costs related to safeguard policy measures been included in the project cost?
NA

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
NA

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