

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC25060

Project Name	Implementation of the National Strategy Program for Strengthening of the National Statistical System
Region	EUROPE AND CENTRAL ASIA
Country	Armenia
Sector(s)	Central government administration (60%), General public administration sector (20%), General information and communications sector (20%)
Theme(s)	Other public sector governance (50%), Poverty strategy, analysis and monitoring (25%), Managing for development results (25%)
Lending Instrument	Lending Instrument
Project ID	P155630
Borrower Name	National Statistical Service
Implementing Agency	National Statistical Servie
Environment Category	C - Not Required
Date PID Prepared	13-May-2015
Estimated Date of Approval	30-Sep-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Armenia is a lower middle income country with a GNI per capita of USD 3,800 in 2013. Since the collapse of the Soviet Union, the country has undergone significant structural shift towards a market-oriented economy. The country experienced significant poverty reduction in the 2000s, underpinned by robust economic growth of about 12 percent per annum and well-targeted redistributive programs. However, the global economic crisis in 2008 halted these gains in poverty reduction as growth slowed down. In just two years, between 2008 and 2010, about a third of poverty reduction achieved in the preceding decade (1999 to 2008) was reversed. Poverty incidence rose from 27.6 percent in 2008 to 35.8 percent in 2010 and then declined to 32.0 percent in 2013. Urban areas other than Yerevan experienced the largest increase in poverty incidence.

The Government's counter-cyclical fiscal policy helped protect the poor and maintain jobs. Since 2010, the pace of recovery has been slow with growth rate of 3.5 percent growth in 2013, and 3.4 percent in 2014. Between 2010 and 2013, the mean consumption of the bottom 40 percent grew at 2.11 percent, less than the rest of the population which experienced an annual growth rate of consumption of 3.00 percent.

Sectoral and Institutional Context

The National Statistical Service of the Republic of Armenia (NSSRA), together with the State Council on Statistics, is the lead agency responsible for official statistical data in Armenia. The agency plays an important role in timely data collection and dissemination. For example, as evident from the poverty figures presented above, Armenia has a good poverty measurement system in place which uses reliable methodology and provides high quality data with only a small lag between data collection and availability. The NSSRA also produces an annual publication -- Social Snapshot and Poverty in Armenia --presenting analysis of poverty along with employment and other social indicators using the Integrated Living Conditions Survey (ILCS). This report is publicly available and used by national line ministries (such as the Ministry of Labor and Social Issues). The ILCS data and documentation is also made available through the website www.armdevinfo.am.

The development of the Armenian statistical system has been guided by the UN Fundamental Principles of the Official Statistics and European Statistics Code of Practice. The strategy, objectives and tasks of NSSRA are anchored in the Law On State Statistics that came into effect in May 2000. The Law gives NSSRA the status of an institution serving public interest, independent from the government. The principal tasks of the NSS RA are as follows:

- i. to collect, process, summarize and publish statistical data,
- ii. to cooperate with state and local self-government bodies in collection of statistical information,
- iii. to develop and improve statistical methodologies, and coordinate data collection and dissemination according to international standards and classifications,
- iv. to organize statistical surveys,
- v. to carry out population and agricultural censuses every 10 years,
- vi. to establish, maintain and update the business-register,
- vii. to ensure data security and statistical confidentiality,
- viii. to provide users with statistical information,
- ix. to ensure the transparency and access to aggregated statistical data and metadata,
- x. to cooperate with international organizations and national statistical offices.

The NSSRA has been open to reforms and follows international good practices such as the preparation of a three-year work program guiding strategic and priority capacity building activities. The strategic directions of the work program are reflected in the annual program adopted by the State Council on Statistics.

The NSSRA was one of the first subscribers to the IMF's Special Data Dissemination Standards among the CIS countries. The NSSRA makes data available through the website (www.armdevinfo.am) that offers user-friendly ways to submit database queries, create tables, charts and maps. The technical assistance and financial support provided by various international organizations and donors, such as the World Bank, the IMF, European Union, UNSD, UNFPA, and SIDA, have resulted in substantial progress in the development and improvement of the statistical system, and modernization of statistical methodologies in different areas.

Yet there remain several areas for further improvement. In 2009, an assessment led by the European Commission (Eurostat), UNECE, and European Free Trade Agreement, identified strengths as well as areas where further work was needed. These shortcomings will be addressed through advisory services, training, and Trust funded technical assistance from the World Bank, the EU Twinning Facility, UNDP and other partners.

- i. Institutional environment: The assessment found that the NSSRA has a strong and clear

mandate for collecting and disseminating administrative and sample survey data. Two challenges identified were a) lack of a quality management and training system, and insufficient resources in the regional offices, and b) limited development and renewal of the IT equipment, despite good staffing, which in turn reduces staff efficiency.

ii. Coverage and quality of statistical thematic areas: The assessment noted the large number of statistics produced in a timely manner using both administrative and survey approaches. The assessment also noted that the NSSRA broadly follows international classification systems. However, the statistics in the following areas need further work to be consistent with international systems: demographic outcomes, labor markets, education and health, environment, transport, business registry, national accounts, and prices indices.

iii. Overall recommendations: The assessment concluded that within the national statistical system, the NSSRA has a strong coordinating role, especially since the management of the NSSRA also acts as the State Council on Statistics with specific legislative power. The agency also has regular contacts with data users and other stakeholders. The assessment recommended that the NSSRA could further strengthen consultations with users, respondents, and other stakeholders. Another finding was that the agency was fragmented and organized in a multiplicity of very small units. This was viewed as a major challenge to managing human resources in the organization. The assessment also recommended that the NSSRA do its part to promote evidence-based decision making and trust in state statistics by undertaking activities that increase statistical literacy among data users.

The current work program (2013-2015) seeks to implement the recommendations made by the 2009 assessment. In particular, the work program identifies priorities for thematic focus areas (such as reviewing stages of data collection, processing, storage and dissemination, assessing and updating methodology), need for staff training, cooperation and work with data providers and users, modernization of information and communication technologies.

The NSSRA has requested the World Bank's assistance, through ECASAT Multidonor Trust Fund (Window 2), to meet the recommendations of the 2009 assessment and implement selected elements of the current three-year work program.

Relationship to CAS/CPS/CPF

The latest Armenia Development Strategy (ADS) (2013-2025) has set targets for eradicating extreme poverty, creating jobs to improve living standards, deepening human capital, improving access to basic services, and modernizing public administration and governance. The World Bank's Country Partnership Strategy (FY2014 to FY2017) is aimed at supporting the country in achieving the goals set out in the ADS. Given these priorities, it is critical to strengthen and support country efforts to design, implement, monitor and evaluate policies and programs drawing on high quality data collection and analyses.

II. Project Development Objective(s)

Proposed Development Objective(s)

The overall objective of the proposed project is to further improve the capacity of statistical system of Armenia and technical capacity of the staff at NSS to produce and disseminate relevant, reliable and timely statistics in a cost-effective manner that are in line with international standards and will be responsive to user needs.

Key Results

The main outcome will be improved quality and reliability of data and access to statistical information for effective policy making, good governance and the design and the monitoring of programs and policies. The following key results are expected:

- a. Strengthened institutional capacity of the National Statistical Service;
- b. Improved statistical production (economic and social statistics in line with internationally accepted standards) that are released in a timely manner in accordance with internationally accepted frequency and timeframes;
- c. Improved dissemination of statistical products that are easily accessible in relevant media with metadata;
- d. Improved user-producer dialog and significantly increased user satisfaction rate;
- e. Improved information technology, automation and other infrastructure.

III. Preliminary Description

Concept Description

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IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
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	

V. Financing (in USD Million)

Total Project Cost:	3.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Program to Support Statistical Capacity Building in ECA			3.00
Total			3.00

VI. Contact point

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