



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 28-Nov-2017 | Report No: PIDISDSC22874

**BASIC INFORMATION****A. Basic Project Data**

Country Central Africa	Project ID P164243	Parent Project ID (if any)	Project Name EAC Statistics Development and Harmonization Regional Project (P164243)
Region AFRICA	Estimated Appraisal Date Mar 12, 2018	Estimated Board Date Jul 24, 2018	Practice Area (Lead) Poverty and Equity
Financing Instrument Investment Project Financing	Borrower(s) East African Community	Implementing Agency East African Community	

Proposed Development Objective(s)

The development objective of this project is to strengthen the capacity of the National Statistical Offices of the East African Community (EAC) Partner States and the EAC Secretariat to produce harmonized and quality statistics in support of the regional integration and development.

Financing (in USD Million)

Financing Source	Amount
IDA Grant	20.00
Total Project Cost	20.00

Environmental Assessment Category C-Not Required	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

1. The East African Community (EAC) hereunder also referred to as the Community or simply EAC is the regional inter-governmental organisation of the 6 Partner States, namely the Republics of Burundi, Kenya, Rwanda, South Sudan, the United Republic of Tanzania, and the Republic of Uganda, with its headquarters in Arusha, Tanzania. The Treaty for establishment of the EAC was signed on November 30, 1999 and came into force on July 7, 2000 following its ratification by the original three Partner States – Kenya, Uganda and Tanzania. The Republic of Rwanda and the Republic of Burundi became full Members of the Community in July 2007 and South Sudan, the latest entrant, formally joined the EAC in September 2016.
2. The community has a total land area of 2.467 million sq. km, a combined estimated population of 173.6 million and GDP of US\$ 163.425 billion in 2017. It is a large economic block with great strategic and geopolitical significance in Africa. However, out of the six member states, only Kenya has attained middle income status. The regional per capita GDP (at current prices) is estimated to reach US\$ 941 in 2017. Kenya will have the highest per capita GDP of US\$ 1,477, followed by Tanzania with US\$ 998 and then Rwanda with US\$ 762. Burundi has the lowest value with US\$ 301.
3. The main objective of the Community is to widen and deepen economic, political, social and cultural integration of east African countries. To achieve these objectives, the key building blocks are the Customs Union, Common Market, Monetary Union and ultimately the Political Federation.
4. While customs Union aims to create one flawless single market across the Partner States, the Common Market provides for free movement of labour, goods and services, and capital between Member States.
5. The Monetary union is the most advanced stage of the economic integration process where countries have harmonised their different political, economic, monetary and fiscal policies. The EAC Monetary Union (EACMU) Protocol was signed in November 2013 and entered into force in 2014. It provides for a 10 year transition period to adopt a single currency by the year 2024.
6. To qualify for Monetary Union, countries are expected to meet some convergence criteria and comply with them for at least three years such as on inflation, fiscal deficit, debt, Central Bank reserve and taxes.
7. The monitoring of such a process will therefore rely on availability of accurate, reliable, timely, harmonized and comparable statistics. Because of that and also for other policy, planning, decision-making, monitoring, evaluation and reporting purposes, the EAC Secretariat has given priority to the production of quality and harmonized statistics in the region.

Sectoral and Institutional Context

8. The EAC treats statistics as a sector and has established a Sectoral Statistics Committee which is mainly responsible, like other Community Sectoral Committees, for the preparation of a comprehensive implementation program and the setting out of priorities with respect to statistics sector.



9. In this context, since 2013 the EAC Secretariat and Partner States have been implementing a first EAC Regional Statistical Development Plan (RSDPI) covering the period 2012/13-2016/17. This first RSDP covered the following three main areas:

- Harmonization of statistics, which involves harmonization of statistical methodologies and tools to produce comparable, accurate and up-to-date statistics to inform both national development processes and the process of regional integration;
- Development of an EAC Statistical Database with harmonized data covering the Community socio-economic statistics indicators and establishment of an EAC Statistical Portal accessible to users;
- Statistical capacity building initiatives to address the shortage of statisticians and experts in the region in areas such as National Accounts, Agricultural Statistics, Household Surveys, Trade Statistics, Financial Statistics, Price Statistics, etc.

10. The implementation of this plan ended in June 2017. Assessment of its implementation shows that it recorded a number of achievements including establishing a regional statistics policy, movement towards establishment of an EAC Statistics Bureau, movement towards development, harmonization and dissemination of Community statistics.

11. However, due to limited capacity, the EAC Secretariat could not follow up as much as needed with Partners States on all agreed activities, making the availability and comparability of statistics among Partner States a major challenge. For instance, apart from Tanzania and Uganda, the Agricultural Census has not been undertaken in the other countries. This census is the main source of data on the structure and organization of the agricultural sector and is critical in informing plans and programs to transform the agricultural sector which is the backbone of the economies of Partner States in the Community. The Agriculture Census also serves as a basis for the development of annual agriculture surveys.

12. On National Accounts, there are still differences in data sources and methodologies used to compile aggregates. Partner State capacity needs to be enhanced in the following areas: financial sector accounts, estimation of Gross Fixed Capital Formation and Consumption of Fixed Capital, production of institutional sector accounts, compilation of volume measures, seasonal adjustment techniques, etc. It is also desirable to develop a monitoring framework for quality assessment and undertake peer reviews, explore the use of a common application software, and ensure methodologies used in Partner States to compile quarterly national accounts produce comparable results. The need to increase staff skills development through national, regional, and international training programs will in addition address the challenge of high staff turnover and to keep all staff abreast with the latest international statistical standards.

13. The Consumer Price Indices' geographical coverage differs from a Partner State to another, the use of regional weights is not similar and so is the mode of price collection. For instance, while the Statistics Offices of Rwanda and Burundi collect consumer prices from their respective capital cities, urban areas and rural areas, the NBSs in Uganda, Kenya and Tanzania (NBS and OCGS) collect consumer prices from their capital cities and other urban areas only. Furthermore, the NBSs in Burundi, Rwanda and Uganda determined their respective CPI regional weights as a proportion of the regional household final consumption expenditures while the NBS of Kenya uses proportions of regional households to determine regional CPI weights. The mode of price collection differs also from a country to another. NBSs in Uganda, Kenya and Tanzania monthly purchase all goods with no standard units of measurements during price collection and hereafter weigh the goods to establish their standard unit price. However, the statistics office in Burundi purchase such goods once in a quarter (3 months) and the statistics office in Rwanda does not purchase such goods, instead, such goods are just weighed from their stalls and their standard unit price established. Such differences alter the comparability of the indices.



14. On poverty statistics, the review of several aspects of the household surveys used to estimate poverty indicates many differences in survey design and periodicity in the region, including the questionnaire design specifically on food consumption, which is the main data source for poverty estimates. That makes difficult the comparison of poverty estimates within the EAC. For instance, while in some countries the consumption data are collected using diary, in others the recall approach is used. Furthermore, even when the same approach is used, the length of the referenced period is different. For example, Burundi and Tanzania use a diary to record food consumption in the household budget surveys. However, Tanzania uses a 28-day diary compared to Burundi's 9-day diary. Moreover, the methodology to estimate the food and non-food poverty lines varies across EAC Partner States and these lines are also based on consumption patterns for different referenced population groups. On the other hand, the EAC Secretariat does not have available expertise to assist Partner States on poverty statistics.
15. On external trade, the main causes of discrepancies are related to the understanding of the Customs Procedures and how they are linked to the different Trade Systems (and especially the General Trade System) and the approaches adopted for the estimation of the c.i.f./f.o.b. corrections. Other topics for harmonization in the area include the use of a common software (such as Eurotrace), taking a fresh look at the regional external trade database, exchange rates to be used for the conversion of transactions labeled in foreign currencies, and statistics on partner countries and modes of transport.
16. On data dissemination, the EAC Secretariat continues to make Community statistics available to users through the EAC Facts and Figures, an annual publication of the EAC Secretariat. It presents socio-economic highlights of the EAC region for a five-year period and forms an important source of inputs into policy, planning and M&E for the Community. Facts and Figures for 2016 is already uploaded on the EAC website. In addition, the EAC Secretariat has been disseminating data using a data portal which unfortunately was slow. However, with assistance from AfDB, an open data platform has been established and integrated with the data portal thereby making data dissemination faster.
17. With respect to the human resources development, the region continues to experience a shortage of statisticians with expertise and skills in specialized areas such as national accounts, agricultural statistics, household surveys, trade statistics, financial statistics and price statistics. Indeed, the few professionals produced end up in other sectors such as Accounting, Banking, IT among others. In all countries, the shortage of statisticians is greater in government ministries, departments and agencies (MDAs) than at the NBS. This shortage is particularly severe in both Burundi and South Sudan, two post-conflict Partner States. In Burundi, the shortage can be partly explained by the absence of statistical training program at the national University. Burundi is thus depending on training centers in Cote d'Ivoire, Senegal, and Cameroon, where it can send only a handful of personnel for training each year. For South Sudan, the problem is not lack of trained statisticians but rather failure by government to motivate and retain them. Professional staff are being attracted to the private sector at a high rate. The EAC Secretariat has been working closely with IMF EAST AFRITAC to build skills in economic statistics – National Accounts, CPI, etc. This collaboration should be broadened. At the Community level, up till now, the EAC Secretariat has had only one (1) established position in the Statistics Department. Although NBSs nominate statisticians to assist the EAC Secretariat with key activities, more staff are required for the development and coordination of the CSS. The lack of staff makes it difficult, for instance, to routinely monitor the implementation of time-bound action plans designed by TWGs in Partner States.
18. On the other hand, statistical awareness about the importance and role of statistics in society, needed to create demand for and use of statistics especially for public policy, planning and decision-making, and for increased investment in statistics and statistical development, remains low among the public in the region. Furthermore, apart from the



Uganda National Development Plan (2010/11-2014/15)¹, no Partner State has been able to mainstream statistics as a standalone sector into her National Development Plan (NDP). All NDPs mention statistics in the downstream chapter on Monitoring and Evaluation (M&E) where mention is made of use of statistical products for M&E purposes. The NDPs do not recognize statistics as a cross-cutting and enabling sector that is weak, vulnerable, under-resourced and under-performing that also needs to be mainstreamed into national development process i.e. identified and targeted for development like other cross-cutting sectors such as gender, environment, etc. As a result, quality statistics continue to be expected without corresponding investment in institutional, infrastructure and capacity development for production of quality statistics now and in future.

19. All the Partner States have a Statistics Act that underpins the collection, management and dissemination of official statistics. These Statistics Acts are largely in line with the UN Fundamental Principles of Official Statistics. They provide for the NBS to be an autonomous agency of government with its own governing board, which raises the profile of statistics, enhances the integrity and credibility of official statistics in the eyes of the public and makes the NBSs more effective and efficient – this contributes to the production of quality Community statistics. Tanzania was the last Partner State to make the NBS autonomous when it promulgated the Statistics Act of 2015. The governing boards are small, around 7-10 members, and members are professionals in statistics or allied fields representing the government ministries, the Central Bank, the private sector, the civil society sector, and research and training institutions. This is good practice. But, no Statistics Act of any Member State explicitly provides for the establishment of a Statistics Unit (department) in each MDA. This has slowed down improvement in administrative data sources and not made statistical coordination any easier. It is therefore critical that in the reviews of Statistics Acts of Partner States, this issue is addressed. It is also important that when the East African Statistics Bureau Bill is passed by EALA, Partner States review their Statistics Acts to bring them in line with the provisions of the East African Statistics Act.

20. All Partner States except Kenya have designed an NSDS for improving their NSSs. Burundi, Rwanda, Tanzania and Uganda are implementing their second NSDS. Kenya has only designed a Strategic Plan for its National Bureau of Statistics. It should graduate from the strategic plan for the Bureau to the NSDS for the whole NSS. Arrangements should be made early to update the statistical strategies that expire in 2017 (Kenya, South Sudan and Tanzania). However, all the NSDSs should be revised to take on board new data requirements specially to monitor and report on progress towards the SDGs. As Partner States update their NSDSs, they have been urged to ensure that they use a sectoral (or bottom-up) approach.

21. It is against the above backdrop that the EAC has designed a second Regional Statistical Development Plan (RSDPII) covering the period 2017/18 -2021/22. This RSDPII is anchored in the 5th EAC Development Strategy and its design took into account, (i) the unfinished business of the first plan and lessons learnt from its implementation, and (ii) new international trends and emerging issues in statistical organization and management. The RSDPII seeks to broaden and deepen production of high quality and harmonized community statistics; promote easy access to and use of community statistics; and build statistical capacity in priority areas of National Accounts, Agricultural Statistics, Poverty Statistics, Household Surveys, Trade Statistics, Financial Statistics and Price Statistics. This is to be achieved through the following strategic goals:

- increased usage of statistics especially for evidence policy, planning, decision-making, monitoring and evaluation;
- efficient and effective statistical system enabled by creativity, innovation and technology;

¹ *The Uganda National Development Plan (2010/11-2014/15) had a whole chapter on statistical development as a cross-cutting and enabling sector complete with situation analysis, challenges, strategies and targets for developing the sector, M&E for the sector and resource requirements.*



- enhanced human resources for production of harmonized and quality community statistics;
- better funded statistical production and development.

Relationship to CPF

22. The production of harmonized statistics and their alignment to international standards are one of the key objectives of the Bank involvement in statistical capacity building in developing countries. Ultimately it allows for enhancing the quality of data needed for informing evidence-based policy making. Furthermore, supporting the development of harmonized statistical tools contributes towards developing the statistical capacities of member states.

23. Indeed, limited statistical capacity in Africa remains one of the main obstacles to better monitoring Poverty Reduction Strategies, and economic progress and is also a major constraint to managing for development results. The Bank support in this area is therefore in line with the twin goals of the Bank and contributes to the objectives of the EAC Partner States partnership strategies.

24. The project reflects also priorities emphasized in Bank country strategies for the various EAC Partner States. For instance, the Rwanda's Performance Learning Review of the Country Partnership Strategy for the period FY14-18 places a great importance to the increased integration into the EAC. For Uganda, the FY16-21 Country Partnership Framework objective focuses on supporting the strengthening of evidence based resource allocation and considers to strengthen country systems for transparency and accountability. Both these objectives highlight the need for enhanced statistical development and disclosure through open data. In Kenya, the Country Partnership Strategy for FY14-18 considers that the consistency of Kenya's development will be buttressed by deepening regional integration with neighbors. It also highlights the need to focus on development of capabilities for measuring and monitoring progress. In that regard, it considers the statistical capacity building as a prerequisite for a more evidence-based approach to policymaking.

25. The World Bank also has Comparative Advantage in Statistical Capacity Building particularly in IDA countries. Indeed, the Bank has provided long term support to statistical capacity building and consequently has substantial experience in assisting countries in the development of their NSSs.

26. The Bank also leads efforts to develop statistics that are comparable across countries such as the World Development Indicators (WDI) and the International Comparison Program (ICP) for prices. As a major user of social and economic statistical information from countries all around the world, the Bank also has a huge knowledge on statistical harmonization.

27. Furthermore, the support is consistent with the Reference Regional Strategic Framework (RRSF) in building statistical capacity in Africa which was designed to improve development outcomes and governance by strengthening national statistical systems in Africa. The RRSF considers particularly that the statistics units of sub-regional organizations in Africa like EAC need to be bolstered to play the role expected of them in statistics, including adapting global concepts and classifications to sub-regional and national use. The support to EAC in developing statistics that are harmonized and aligned to international standards would be a valuable contribution to that end.

28. This project is also consistent with the Bank Regional Integration Assistance Strategy for Sub-Saharan Africa (RIAS) that is organized around three main pillars: (i) regional infrastructure, (ii) institutional cooperation for economic integration, and (iii) coordinated interventions to provide regional public goods. This project contributes to attaining especially the second pillar of that strategy by providing more quality and harmonized data to feed the integration process decision making.



29. It is also consistent with the Strategy for the Harmonization of Statistics in Africa (SHaSA) which was designed by the African Union with support from other pan-African institutions. SHaSA aims to inform the African integration agenda with harmonized and comparable statistics by supporting adoption of harmonized and standardized definitions and concepts; the adaptation of international statistical norms to African realities; and the utilization of common methodologies for statistical production and dissemination by all African countries.

30. Finally, this project is contributing to the implementation of the roadmap for transition to the East African Monetary Union (EAMU) that set 2018 as the deadline for harmonization of statistics in these areas and efforts are underway to ensure that this deadline is met.

C. Proposed Development Objective(s)

31. The development objective of this project is to strengthen the capacity of the National Statistical Offices of the East African Community (EAC) Partner States and the EAC Secretariat to produce harmonized and quality statistics in support of the regional integration and development.

Key Results (From PCN)

32. The key aspects of the PDO are the strengthening of the National Bureaus of Statistics of the East African Community (EAC) Partner States and the EAC Secretariat capacity to produce harmonized and quality statistics. In this respect, progress toward the PDO will be measured and monitored through the following indicators:

- (a) Improved use of international recommendations and best practices to compile national accounts, CPI, external trade and poverty statistics;
- (b) Improved quality and comparability of national accounts, CPI, External trade and Poverty Statistics in the Community;
- (c) Number of Partner-States' professional statisticians from NBSs of Partner States with improved skills on national accounts, price, poverty and external trade statistics;
- (d) Data dissemination portal developed at the EAC Secretariat.

33. The following key outputs of the project will be monitored:

- (a) Number of statistics experts at the EAC Secretariat hired by the project to work full time at the East African Statistics Bureau;
- (b) Number of technical notes prepared to improve the comparability of national accounts, price, poverty, and external trade statistics in PS;
- (c) Number of Partner States professional statisticians trained during technical workshops;
- (d) Common software used for national accounts, price and external trade statistics;
- (e) Number of updated sectoral databases;



- (f) Number of Partner States with revised Statistics Act.

D. Concept Description

34. The proposed project activities will focus on the core features to improve the quality and comparability of statistics produced by Partner States in the EAC, especially in the priority areas of National Accounts, Prices, Trade, and Poverty statistics. The EAC Secretariat is expected to be identified as the designated implementing agency of the project which is expected to have a duration of five years from the WBG Board approval, assuming no effectiveness delays. Project activities are anchored in the second EAC Regional Statistical Development Plan and fully share the Plan's vision which is to make the EAC as a premier and authoritative source of high quality and harmonized Community statistics to support regional integration and development.

35. The project's activities have been selected according to the Community data demand and in line with the following three criteria: (i) core features of addressing the main and common statistical challenges faced by the Community Statistical System (ii) aligned with the WBG's comparative advantage in technical assistance; and (iii) having comparative advantage and value added to be implemented at the Regional level compared to their implementation at the national level. The proposed project is structured into the following components: (i) Institutional and Human Resources Developments; (ii) Improved data quality, comparability, dissemination and use; (iii) Project Management.

Component 1: Institutional and Human Resources Developments

36. The aim of this component is (i) to support the operationalization of East African Statistics Bureau to start fulfilling its mandate; (ii) to accelerate and deepen statistical reforms in Partner States; and (iii) to build specialized skills needed in the region in priority statistics areas. In this regards, once the East African Statistics Bureau Bill is enacted by the EALA as an autonomous entity and its headquarters identified, this subcomponent aims to help fast track and make this Bureau functional, especially by strengthening its capacity both in terms of equipment and human resources. In addition, technical assistance will be provided to Partner States to update their national Statistics Acts with a view to aligning them with provisions of the EAC Statistics Bureau Act.

37. Furthermore, since the human resources are the most important asset in any organization, the proposed operation aims to increase the proportion of the NBS professional staff trained in specialized areas related to statistics, demography, economics, and IT (particularly programming). The training program will be conducted primarily in the regional statistical training centers, will be designed by experts to fit precise needs, and will focus on short term needs on specific statistical skills that are linked directly to data collection or statistical production activities.

Component 2: Improved data quality, comparability, dissemination and use

38. The key objective of the proposed project is to create favorable conditions for production of quality and harmonized statistics in the region, especially in the four priorities areas of National Accounts, Price, Trade and poverty statistics. In this regard, this component will primarily support the process to improve tools and methodologies used by the Partner States and produce agreed harmonized approaches, in line with best practices and international standards, and that will become the guidelines and regulations to be followed by Partner States in compiling their official statistics. The above four mentioned focus areas selected for support under the proposed component are policy-driven and are identified based on the needs to monitor the monetary union process and to assess the development impact of the integration process.



39. This component will also support activities to address the lack of statistical awareness in the region, identified as an important challenge and to open doors for more stable funding for production of quality statistics. Funding from the project will also be made available to strengthen data analysis and interpretation in the region.

Component 3: Project Management

40. A project implementation unit (PIU) will be integrated in the Secretariat of the EAC until the EASB is operational. It will then be transferred to the Bureau. This PIU will be responsible for program management, including procurement, financial management (FM), monitoring and evaluation (M&E), and safeguards support. The PIU will also be responsible for coordination between NBSs, organizing training events, and monitoring progress. It will as well be responsible for quality control and preparation of in-house data analysis.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

B. Borrower's Institutional Capacity for Safeguard Policies

The project is a C environmental assessment category. None of the safeguard policies is triggered

C. Environmental and Social Safeguards Specialists on the Team

Knut Opsal, Social Safeguards Specialist

Jane A. N. Kibbassa, Environmental Safeguards Specialist

D. 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	



E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Mar 30, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

No safeguard-related study is projected to be conducted.

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APPROVAL

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