

**PROJECT INFORMATION DOCUMENT (PID)**  
**APPRAISAL STAGE**

Report No.: PIDA27447

<b>Project Name</b>	DRC-Statistics Development Project (P150148)
<b>Region</b>	AFRICA
<b>Country</b>	Congo, Democratic Republic of
<b>Sector(s)</b>	General public administration sector (100%)
<b>Theme(s)</b>	Economic statistics, modeling and forecasting (60%), Analysis of economic growth (20%), Poverty strategy, analysis and monitoring (20%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P150148
<b>Borrower(s)</b>	Ministry Of Finances
<b>Implementing Agency</b>	Institut National de la Statistique (INS)
<b>Environmental Category</b>	C-Not Required
<b>Date PID Prepared/Updated</b>	28-May-2015
<b>Date PID Approved/Disclosed</b>	24-Jun-2015
<b>Estimated Date of Appraisal Completion</b>	19-Jun-2015
<b>Estimated Date of Board Approval</b>	26-Aug-2015
<b>Appraisal Review Decision (from Decision Note)</b>	

## I. Project Context

### Country Context

1. The Democratic Republic of Congo (DRC) is one of the largest countries in Africa with an area of 2.3 million square kilometers in central Africa, the surface area of Portugal, Spain, Italy, France, Switzerland, Belgium, Luxembourg, the Netherlands, Germany, Denmark, Austria, and Poland. Its population is estimated around 75 million people in 2014, 40% of which live in urban areas. The DRC is a country endowed with vast mineral wealth and huge water resources. The country has the potential to be one of the richest countries on the African continent and a driver for African growth. But decades of conflicts and corruption have left it chronically unstable, vulnerable, lacking infrastructure and social services, and falling far short of its economic potential. As a result, DRC remains one of the poorest countries in the world with a per capita Gross Domestic Product (GDP) at US\$450 in 2013. It was ranked 186 out of 187 countries in the 2014 Human Development Index report and more than 63% of its population is considered poor.

2. Since 2009, progress has been made through political and economic reforms. In July 2010 the country met the Highly Indebted Poor Countries (HIPC) Completion Point, resulting in the

reduction of its debt stock by roughly US\$12 billion. The economic reforms brought hyperinflation under control, and laid the foundations for strong growth. In spite of a 2009 slowdown to 2.8 % prompted by the global financial crisis, GDP growth improved significantly starting in 2010 and has since remained solid above 7%. This performance is driven mainly by the extractive industries' strong performance boosted by favorable trends in commodity prices. Public investments have also helped spur growth. Inflation fell from 53.4% in 2009 to less than 10% in 2010 and remained at a maximum of 1% in 2013. Since 2006 the country is implementing a poverty reduction strategy that was renewed in 2012. The monitoring and evaluation of this process requires continuous and timely statistical information that, unfortunately, the DRC's statistical system is not able to provide at present.

### **Sectoral and institutional Context**

3. The DRC's statistical system is far from meeting the needs of users in terms of statistical data and its overall capacity is very weak. According to World Bank's 2014 Country Statistical Information Database, the DRC had an overall score of 56.7, which is below the global average of 62 and the Sub-Saharan Africa average of 58.7. Despite being low, this score is an improvement from a score of 43.3 in 2011. The improvement is partly justified by the completion of several surveys undertaken in 2012, which made available highly-demanded data (such as poverty indicators, gender data, and primary school statistics). The situation, however, remains characterized by the lack of quality and timely data in many sectors. Because of resource limitations, a significant part of the institutional budget is allocated to salaries and very little or none to data collection.

4. However, the Government of DRC has focused on strengthening the country's statistical capacity by engaging in a reform of the system starting in 2009. The Government has adopted policies that create a new statistical environment in the country and aim to strengthen the capacity of the country's statistical institutions in producing quality data to support policy and decision making. In particular, the Decree No. 09/45 of December 3rd, 2009 establishes the attributions and organization of the National Statistical Institute (INS). It also gives the INS flexibility and technical independence to carry out its activities. In addition, the Decree No. 10/05 of February 11th, 2010 defines the different bodies of the system and establishes a decentralized statistical system with INS as the central organ. The different ministries are responsible for the compilation of statistics, mainly administrative, related to their sectors while the INS is responsible for the coordination of the system. The decree also creates the National Statistical Council (Conseil National de la Statistique, CNS), to coordinate the system with the INS support. In the same vein, a National Strategy for the Development of Statistics (NSDS) was approved in August 2012. It aims to ensure a comprehensive, effective and sustainable development of statistics by involving all the stakeholders of the National Statistical System (NSS), particularly data producers and users. A 5-year action plan covering the period 2013-2017 was proposed for the implementation of the NSDS.

5. However, the Decrees creating the INS and organizing the NSS have not been followed by the appropriate implementation texts, and the National Strategy for the Development of Statistics (NSDS) is weakly implemented. Therefore the governance mechanisms for the National Statistical System and INS are incomplete. In particular, a Presidential ordinance is required to appoint the head of INS and the members of the INS board of directors (Conseil scientifique). Likewise a Prime Ministerial decree is required to nominate the members of the Statistical Council (Conseil national de la statistique, CNS). These measures have not been taken and, as a result, the

coordination and leadership functions for the statistical system have not been appointed. It should be noted that the acting Heads of INS have been delegated to carry out all responsibilities of a DG since October 2009 and members of the Board of Directors have not yet been nominated.

6. The diagnostic that underlined the NSDS highlighted weaknesses in three major areas: human resources, institutional capacities, physical infrastructure and availability of statistical information. In this regard, the NSDS has identified a number of areas that can serve as leverage to strengthen the NSS including: institutional reforms, development of the statistical infrastructure, strengthening of human, financial and material resources, production of data from different sources (such as administrative records, surveys, censuses) and improving the use and dissemination of official statistics and the availability to users.

7. The NSS lacks qualified staff to support production and publication of products that meet international statistical standards. In 2012, available information for the 319 staff in the national office in Kinshasa indicated that roughly 44 percent of staff had some level of university education. 52 percent of staff had a primary or secondary education or a vocational training diploma. There are 77 staff (17 percent of total INS staff) with degrees in statistics (28), economics (19), demography (14), or computer science (16). This compares unfavorably with Senegal (59 percent of professionals), Ghana (39 percent with professional qualifications) and is similar to Ethiopia (15 percent professionals) -- all countries with higher statistical capacity scores. The ability of INS to adapt to new challenges is also quite limited because 34 percent of the qualified staff across all offices are near retirement age. In addition, inadequate compensation and benefits packages make it difficult for management to attract and retain qualified staff. Currently, staff wages do not reflect the actual value of statistical skills in the local labor market. The effective monthly salary accorded to a senior staff is low: less than US150/month in 2014 including the benefits. In turn this situation impacts considerably the staff motivation and productivity, affects the quality of the work and leads the few qualified staff to leave.

8. Despite the weakness of its core institution, the DRC's Statistical system has conducted important statistical operations in the past few years. For example, the INS has adopted the 1993 System of National Accounts (SNA) since 2014. With the assistance of the IMF, a new rebasing exercise based on the 1993 SNA took place between 2009 and 2013. The new GDP estimates published by the INS have integrated the informal sector based on the 2005 household's survey. The INS has successfully produced consumer price index on a monthly basis thanks to a strong support from the Government. Regarding micro-data, the INS successfully completed and published the results of the second national representative household's survey in 2013. With the technical assistance of the World Bank new poverty indices have been produced and published. Also a second Demographic and Health Survey (DHS) was completed in 2014 in collaboration with the Ministry of Health and the USAID. The completion of these nationally representative household surveys opened the door for many analytical works related to growth, poverty, jobs and sectorial issues like health, nutrition, education, etc. Unfortunately all these statistical operations are based on very weak foundations (lack of population, agricultural and business censuses and sample frames).

9. Statistical infrastructures which is the foundation for the production of reliable and accurate statistics is dramatically lacking. The country has not undertaken a population and housing census since 1984, has never organized any agricultural census, and is yet to organize a business census. The lack of population data affects much of the statistical system and reduces the credibility of

development planning and management. The accuracy of statistics that incorporate population dimensions, ranging from macroeconomic statistics (such as GDP or external aid per capita) to enrollment and service access rates, is questionable. Without a reliable vital registration system, existing population data in DRC are sparse or do not meet international standards. Not having a population census means that the sampling frame for household surveys is also no longer reliable. The main data sources for macroeconomic statistics are either incomplete or unreliable. For instance the enterprise sample frame used to derive estimates on formal businesses is incomplete and outdated. An enterprise census is planned to be organized with the support of the World Bank SRF statistics project. Estimates on agriculture rely also on poor and outdated information and are based on a rough methodological approach combining the population annual growth and the latest known crop production figures which are back to 1997, assuming the same growth rates for the population and all crops output.

10. To consolidate the recent improvements and address the lack of data, the Government has requested the World Bank's support to foster the production of statistical information with increased quality and timeliness. In response, the Bank approved in May 2014, the DRC Catalytic Project to Strengthen the INS (P125509) funded by the Statistics for Results trust fund. The project's objective is to strengthen the capacity of the National Institute of Statistics to generate and disseminate statistical information through specific activities: supporting the cartography phase of the population and housing census, the enterprise census, training for leadership development and technical assistance for fiduciary capacity development. The current project complements, but does not duplicate, assistance provided by existing projects funded through this and other the World Bank or other development partners.

11. The proposed project aims to sustain the ongoing efforts to develop statistics in DRC through the development of the statistical infrastructure and human resources capacity for the production and dissemination of core economic and social statistics. This project will address immediate data needs and will build the foundations for the production of quality statistical products in DRC. By investing in key statistical infrastructures the project will also support human resources development through the revamping of local statistical school training programs, on-the-job training for the current staff and technical assistance for improving staffing policies and human resources management.

## **II. Proposed Development Objectives**

The development objective of this project is to strengthen the capacity of the National Statistical System to produce and disseminate core economic and social statistics.

## **III. Project Description**

### **Component Name**

Component 1: Data Production, Dissemination and Use

### **Comments (optional)**

17. This component of the project will support: (i) the cartography of the population census; (ii) the implementation of a system of household surveys, to monitor standard socioeconomic indicators; (iii) an agricultural census and annual agricultural production survey; (iv) the improvement of methodology of key data sources of the National Accounts statistics; and (v) data dissemination and use.

### **Component Name**

## Component 2: Human Resources Development and Management

### Comments (optional)

18. This component will support the INS in attracting and retaining qualified statisticians through an effective system for Human Resources development and management. The activities to be financed under this component include: (i) Technical assistance to develop set of guidelines for staffing and HR policies, (ii) Support for the development of the National Statistics School, (iii) Development of a scholarship program to support training of Congolese in the regional statistical schools and finally (iv) Development of a Young professional program to rejuvenate the NSS staff conditional on successful implementation of specific institutional reforms.

## IV. Financing (in USD Million)

Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			40.00
Total			40.00

## V. Implementation

12. INS is the main implementing agency for the project. In accordance with the Government's vision to develop national capacity, which is shared by the World Bank, the project will be managed and implemented by INS. External audits will be undertaken by private firms acceptable to the World Bank. Some training activities may be contracted out to private-sector or public-sector actors (e.g. other countries' national statistical offices). Training and technical assistance will be provided to support implementation, since INS has limited experience with large projects. The PCU will be located in the INS and will be responsible for day-to-day project management. The PCU team will include consultants and staff from the INS, and other agencies of the NSS (Ministries of Agriculture, Health, Education, Finance and Trade) who will serve as focal points for their respective sectors.

13. The Project Steering Committee: The PSC will be headed by a representative of the Ministry in charge of statistics and consist of representatives of the NIS and key ministries, development partners, and data users; it will oversee, promote, coordinate, support, monitor, and evaluate progress. The PSC and the National Counsel of Statistics will identify the goals and the NSS mission and promote awareness of these throughout the NIS, emphasizing shared values that should be reflected in achieving the goals.

14. Work program and budget allocation: The PCU will prepare an integrated multi-year work plan based on the activities proposed by this project. Each year the budgeted work plan will be derived from the multi-year plan and submitted for PSC review and then World Bank approval.

15. Project policies and procedures will be published in an implementation manual, which will be adopted by the National Counsel of Statistics. It will include or be complemented by protocols based on the DQAF to guide activities. The PCU and the Bank will work to ensure consistency with the protocols and the manual. (The arrangements are detailed in Annex 3.)

16. The PSC will meet semi-annually to assess performance, intermediate results, and outcomes. The first meeting will be no later than eight months after the project begins. An independent assessment before the meeting will ensure that data production is performed according to predefined protocols. The review meeting, chaired by the representative of the ministry in charge of statistics, will involve members of the NSS and statistical information and services users. The meeting gives the PCU and beneficiaries a platform for reporting progress to authorities, clients, and partners. The committee will (a) facilitate coordination of the project; (b) review and recommend for World Bank approval proposed annual work plans and budgets; and (c) review progress toward achievement of project objectives and make recommendations for removal of any obstacles.

## VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		x
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

### Comments (optional)

## VII. Contact point

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