Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 28-Apr-2022 | Report No: PIDA33781

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Ecuador	P178564	Strengthening the National Statistical System in Ecuador	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
LATIN AMERICA AND CARIBBEAN	18-Apr-2022	12-Jul-2022	Poverty and Equity
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Republic of Ecuador	Instituto Nacional de Estadística y Censos (INEC)	

Proposed Development Objective(s)

The Proposed Project Development Objective is to improve the national statistical capacity of Ecuador in the production and dissemination of timely and high-quality economic and sociodemographic statistics for evidence-based policymaking.

Components

Project management, monitoring, and evaluation
Enhancing demographic information with the new Housing and Population Census
Strengthening the statistical production from surveys
Strengthening the statistical production from Administrative Records and INEC managerial capacity

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	86.79
Total Financing	80.00
of which IBRD/IDA	80.00
Financing Gap	6.79

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	80.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Ecuador is an upper-middle-income country with a dollarized economy and rich natural endowments, but it is currently struggling under unprecedentedly adverse global and domestic pressures. After sustaining more than a decade of rapid growth, Ecuador has seen a marked slowdown since oil prices plummeted in mid-2014. GDP growth averaged 4.5 percent between 2001 and 2014 as stabilization reforms, including dollarization, triggered a recovery in the early 2000s. Real GDP increased 79 percent during this period, while real GDP per capita increased by 43 percent. High economic growth and changes in income distribution helped lift 1.4 million people out of poverty. Also, the commodity boom enabled an expansion of the public sector from the mid-2000s onwards, with public spending doubling between 2004 and 2014, particularly in public investment and wages. Yet, structural vulnerabilities emerged during this period and remained hidden by favorable external conditions during the commodity boom. The plunge in oil prices unveiled deep-rooted challenges, such as macroeconomic imbalances, public sector inefficiencies, weak competitiveness, and an underinvested private sector. In addition, the dismantling of oil funds, a selective external debt default, high external financing, and a non-conducive investment climate hampered the country's ability to respond to the decline in oil prices. Between 2015 and 2019, economic growth averaged a mere 0.5 percent. A modest private investment recovery only partially offsets the rapid reduction of public expenditure. Foreign investment has remained low and highly concentrated in extractive industries. Moreover, with little room for a fiscal stimulus, Ecuador struggled to mitigate the economic impact of the COVID-19 pandemic. In 2020, output decreased by 7.8 percent, pushing a million people into poverty and deepened inequalities by curtailing access to education and job opportunities, mainly for women, the youth, and low-skill workers.

2. The economy is expected to recover in the coming years, following a successful vaccination campaign and a solid economic rebound, but households have been exposed to shocks over the last two years with long-term impacts. In 2021, the economy grew by an estimated 4.4 percent due to better external conditions, a relaxation of mobility restrictions, a successful vaccination campaign, and an expansion of

domestic credit. These factors supported the recovery of most sectors despite the oil output stagnation. The ongoing recovery and high oil prices will allow Ecuador to grow 4.9 percent in 2022. Then it is expected to slow to 2.9 percent in the medium term while structural growth-enhancing reforms bear fruit. Although the Russia-Ukraine conflict could cause a hike in inflation and is likely to affect banana, flower, and shrimp exports in 2022, total exports will increase due to high commodity prices and growing volumes.[1] The bottom of the distribution will also recover as labor market conditions improve due to faster economic growth. However, this improvement will be insufficient to help most people rebound to their pre-pandemic status due to higher inflation. More importantly, households have been affected by high levels of food insecurity and low access to education and health services since the onset of the pandemic, foreshadowing long-term impacts on human capital.[2]

3. The World Bank has been supporting the Government of Ecuador to mitigate the adverse effects of the COVID-19 pandemic on poor and vulnerable households through financial support and technical assistance. Between May and June 2020, the government implemented an emergency cash transfer program for vulnerable households that did not benefit from existing social assistance programs. Technical assistance from World Bank developed the methodology for identifying beneficiaries and estimating the number of emergency transfers reaching more than 400,000 households. The World Bank also supported the inclusion to the social registry of nearly half of households that benefit from the emergency transfers (those in the poorest three deciles), enabling them to qualify for regular cash transfers through the International Bank for Reconstruction and Development project (Ecuador Social Safety Net- P167416). Women represented 90 percent of beneficiaries. In addition, two Development Financing (P171190 and P174115) loan operations totaling around $1 billion were approved during 2020 to respond to the impacts of the COVID-19 crisis to protect the vulnerable. These measures focused on removing barriers to private-sector development, supporting economic recovery, and promoting public-sector efficiency and fiscal sustainability post-crisis. In addition, the World Bank implemented the Ecuador COVID-19 Emergency Response Project (P173773) for $150 million to support the government's vaccination campaign and finance medical and non-medical equipment and medical devices.

4. Ecuador's development and health efforts are also challenged by the observed and anticipated impacts of climate change, which may further exacerbate the effects of COVID-19. Ecuador is at risk of several natural hazards, including floods, landslides, droughts, and earthquakes. After floods, which are often associated with the El Niño phenomenon, landslides are the most frequent natural hazard in the country. These events are expected to increase in frequency and intensity as a consequence of climate change and compound existing constraints on Ecuador's efforts to reduce poverty and inequality. Such events have clear links to human health through direct exposure (e.g., heat waves, floods, and droughts) as well as indirect pathways (climate impacts on water, food production, agriculture, and air quality). These threats have historically entailed high economic and social costs . Between 1900 and 2009, 65 major

[1] World Bank (2022), Macro Poverty Outlook – Spring meetings, forthcoming
[2] World Bank (2020) and World Bank and UNDP (2021), High-Frequency Phone Surveys, different survey rounds

disasters were recorded, 60 percent caused by hydrometeorological phenomena (droughts, floods, landslides) and the rest by geophysical events. These impacts can negatively affect the government's ability to ensure the continuity of social and health services when natural disasters occur. Counting reliable and updated data on the population's structure and regional hydrological characteristics is key to identifying climate-vulnerable populations and improving the targeting of support, as well as designing climate-informed development strategies. In addition, census data provide a granular demographic picture of a region that is crucial to emergency preparedness in the event of climate-induced disasters.

Sectoral and Institutional Context

5. The National Statistical System (NSS) in Ecuador, with the National Institute of Statistics and Censuses ('INEC' for its Spanish acronym) as the leading official statistics provider, shows important strengths and critical challenges. The INEC has a solid technical reputation reflected in considerable improvements in the coverage and accuracy of the last two censuses, quality enhancement of its data products, and its role as the NSS coordinator through administrative data. However, some obstacles hamper the design and development of effective social policies. The Basic Family Basket (CFB acronym in Spanish) was created 40 years ago (1982) and it does not reflect current consumption patterns, thus affecting the quality of policy design. The poverty line is estimated using data from 2006, which is the basis for evaluating and designing social protection interventions. Any distributional reform analysis (such as tax reform), plus any design or evaluation of social programs, are severely limited.

6. The proposed project will introduce significant innovations in data collection and use that are fully aligned with international best practices (i.e., the use of satellite imagery and georeferencing for the HPC cartography update, and the cataloging of data through the international standard National Data Archive [NADA] and the REDATAM platforms) to: (i) increase the effectiveness of statistical operations moving forward; (ii) reduce relevant information gaps; and (iii) strengthen statistical capacity to promote an evidence-based approach.

7. The INEC is the main official provider of statistics in Ecuador. The INEC is supported by the National Council of Statistics, which comprises representatives from the National Planning Secretariat (which acts as chair), the Sectoral Cabinets, and the INEC (which serves as the technical secretary). The four primary functions of the Council are: (i) supervising the performance of the INEC; (ii) ruling on the National Statistics Program that must be presented by the INEC; (iii) ordering the implementation of national censuses and approving related plans and budgets; and (iv) obtaining financing for the execution of the INEC's work plan, among its other activities.

8. Another coordination mechanism is the Special Statistical Commissions. The INEC has the faculty to create these Commissions, which are auxiliary bodies and act as advisers to the INEC. They comprise delegates from the institutions that produce and use statistical information for specific sectors. These Commissions have two types of working groups – strategic and technical – both of which are created by

the INEC (which acts as their chair), the National Planning Secretariat, the Sectoral Cabinet(s), and the Ministries or sector-executing agencies related to the main objective of the particular Commission in question. Currently, there are 13 active Commissions, 11 of which are thematic and two of which are designed to address specific areas of interest under Ecuador's statistical priorities.

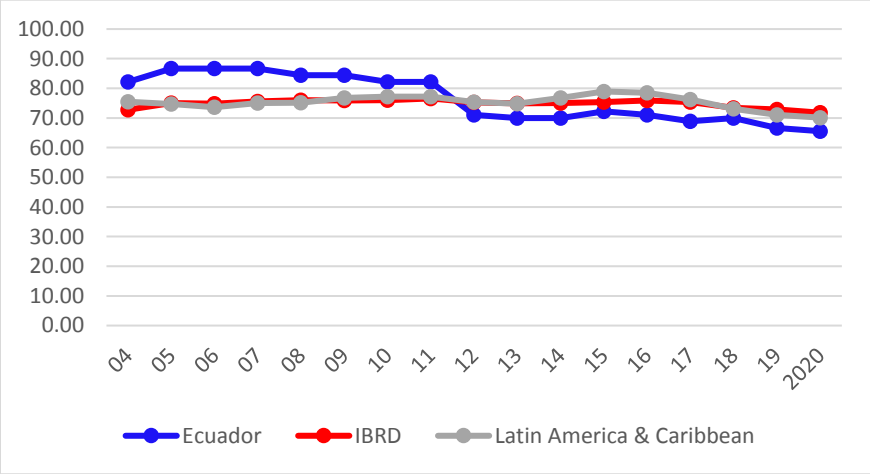
9. The National Strategy of Statistical Development (NSDS) is presently in the design phase, and the National Statistical Program 2021-2025 is being implemented. With the support of Partnership in Statistics for Development in the 21st Century (Paris21), some awareness actions were carried out with main stakeholders of the NSS, its user community, and data producers in order to start a strategic dialogue that could, in turn, help define the vision of the NSDS. This led to the identification of four strategic focal points: (i) statistical coordination; (ii) statistical production; (iii) statistical innovation; and (iv) statistical culture. In 2021, the INEC developed the National Statistics Program 2021-2025 based on a participative process. The Program establishes a roadmap for guiding the production of national statistical data that can be used to meet national planning needs and international commitments. It proposes a long-term vision that establishes NSDS's importance. The INEC adopts an organizational and managerial model based on decentralization. It also has a modern IT center that supports an efficient data management system. Data production by the INEC supports 51 of the 130 indicators under the National Development Plan 2021-2025.

10. The Statistics Act is outdated, although recently a law covering personal data protection was approved. The Statistics Act in Ecuador was issued by Supreme Decree No. 323, published in the Official Journal No. 82 on May 7, 1976. Adjustments to the Statistics Act are needed to align with technological advances in the field of information and communications, as well as emerging international and regional best practices in statistical management. The current law does not clearly establish the coordination of the INEC with the NSS or with other producers of information outside the NSS, such as producers of Administrative Records (RRAA) and non-traditional sources of information. The shortcomings of the outdated law have been partially resolved through the issuance of the Executive Decree No. 77 (August 15, 2013), which empowers the INEC's coordination faculties within the NSS, especially those related to: (i) the planning of statistical production; (ii) the implementation of a quality certification system; and (iii) the innovation in data collection and analysis. In addition, it allows the collection of administrative registers for statical purposes by the INEC. It is desirable that the contents of the Decree be raised to the level of Law.

11. In the current Statistic Act, data protection and anonymization are addressed in Clause #21, which states that data must be aggregated for data protection in line with the statistical oath. In May 2021, the Personal Data Protection Law was published by the official bulletin No. 450. This law aims to guarantee the right to data protection. It includes provisions about access to, and decisions about, information and personal data, as well as corresponding measures for the protection of such data. This law also provides definitions related to personal data, anonymization, and confidentiality of information. Finally, it creates a system for data protection and establishes sanctions for non-compliance with established protocols.

12. Ecuador's statistical capacity has been slowly decreasing over the last decade. According to the World Bank Statistical Capacity Indicator (SCI), the country's performance score during these years is lower than the average for Latin America and the Caribbean over the same period. The same is true when comparing Ecuador to the average for International Bank for Reconstruction and Development (IBRD) countries. From 2004 to 2011, the SCI index score was significantly higher than the regional average or the IBRD average (Figure 1). The SCI index score for Ecuador in 2020 was 65.6 out of 100. This compares to 70.1 for Latin American and Caribbean countries and 71.8 for IBRD countries (Figure 1). The main weaknesses of Ecuador's statistical capacity comprise: the outdated base year of the national account system and the Consumer Price Index (CPI); the out-of-date methodologies for the import and export prices indexes and government finances accounting; the outmoded nature of the Agricultural Census and Health Survey; and the weak vital statistics system. This proposed project will cover most of the weaknesses highlighted through the SCI.

Figure 1 Statistical Capacity Indicator – Ecuador



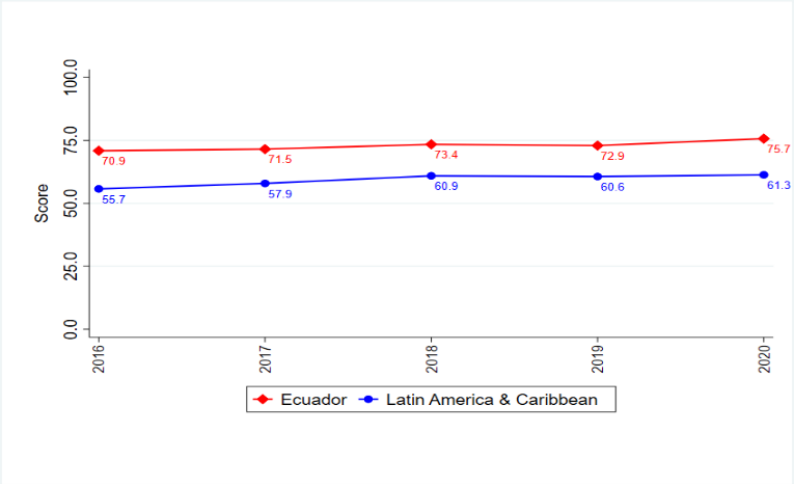
Source: Own estimations based on data from the World Bank's statistical capacity indicator, site https://datatopics.worldbank.org/statisticalcapacity/scidashboard.aspx

13. Gender data gaps hinder Ecuador's effort to track progress towards gender equality over time and design policies to address it. Gender data provide insights into differences in wellbeing across women and men, and girls and boys, as well as actionable information for policy to address disparities. The Sustainable Development Goals (SDGs) include a broad set of gender-related targets — including valuing unpaid work, eliminating child marriage and violence against girls and women, increasing participation of women in public life and institutions, promoting equal rights to economic resources and assets, and using information and communications technology to help empower women. For each of the SDG targets, the UN Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) proposed a set of indicators that were approved by the UN Statistical Commission at its forty-seventh session in March 2016, including sex-disaggregated and gender-specific indicators that rely on labor force and agricultural surveys, among

others, as data sources. In the context of Ecuador, although gender indicators are reported based on household surveys, they do not cover all the requirements to monitor SGD 5. In addition, there is an increasing focus on enhancing the quality of gender data, an area where there is room for improvement in Ecuador. For instance, measuring women's productive work across paid and unpaid activities through implementing the new definitions of work and employment put forward by the 19th International Conference of Labor Statisticians (ICLS) in the Labor Force Survey.

14. Despite the SCI score, the INEC has improved the quality of its data production and its role as NSS coordinator by improving administrative data. The INEC is one of the Latin America and Caribbean region's leaders on statistical production through administrative data, having adopted the Nordic model as a long-term strategy. Recently, the 50x2030 initiative has been adopted to improve agricultural surveys through innovative modular surveys. This project will complement the implementation of the modular approach. This initiative contributes to constructing relevant environmental indicators, some of which are part of the SDG environmental indicators. Additionally, some other organizational best practices and innovative technologies for data management have been adopted. The new World Bank Statistical Performance Indicator (SPI) captures new dimensions not included under the scope of the SCI, where Ecuador scores higher than IBRD countries and its regional peers for the years 2016 and 2020 (Figure 2). This is the case with dimensions such as data use, data services, geospatial data availability, data access, and legislation. The SPI considers more dimensions related to the performance of the INEC thanthe previous SCI. Under the SPI, one of the weaknesses detected relates to data infrastructure. This captures aspects such as: statistical legal framework; standards and methods addressing compliance with recognized frameworks and concepts; statistical literacy; and financial mobilization, both domestically and from donors.

Figure 2: World Bank Statistical Performance Indicator (SPI 2019 & 2020)



Source: Own estimations based on data from the World Bank SPI, site https://www.worldbank.org/en/programs/statistical-performance-indicatorshttps://datatopics.worldbank.org/statisticalcapacity/scidashboard.aspx

15. Strengthening and improving Ecuador's national statistical capacity in producing and disseminating timely and high-quality statistics represents an essential input to evidence-based policymaking. This project will support the implementation of a new Housing and Population Census, the design of an updated Labor Force Survey, and the collection of some modules of the Integrated Agricultural Survey, among other tasks. These activities will create the necessary data for updating the poverty line, the CPI, and the CFB. This new information will assess the effect of government policies such as taxes or minimum wage, assign resources from the central government to municipalities accordingly, and better inform gender policies, among other actions. The project will also enhance the use and dissemination of information generated with administrative data. In summary, the project aims to reduce current gaps in knowledge and information.

16. The project includes documenting lessons learned, updating quality control and data dissemination protocols, and redesigning some managerial and organizational processes under the United Nations Economic Commission for Europe (UNECE) models. The project will promote the systematization of the learning processes derived from its implementation and incorporate these processes into the INEC's organizational and managerial model. The proposed project includes the documentation of lessons learned from: innovations and improvements in data production; the elaboration of case studies; the implementation of learning-by-doing processes; and the development of statistical quality protocols and procedures. As a result of these lessons, some managerial and organizational processes will be redesigned in line with the UNECE models. The INEC's methodological, technical, and research units will benefit from this approach and will lead the adoption process of best practices. The project will align with the existing activities led by the INEC under the work plans of the United Nations Statistical Conference of the Americas, and those of the Regional Strategy of Statistical Development of the ANDEAN countries.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Proposed Project Development Objective is to improve the national statistical capacity of Ecuador in the production and dissemination of timely and high-quality economic and sociodemographic statistics for evidence-based policymaking.

Key Results

17. The achievement of the PDO level results will be measured by eight high-level indicators. The proposed indicators assess: (i) the progress in the overall statistical capacity in the production of core and quality statistics by the NSS; (ii) the dissemination and use of statistics; and (iii) the availability of sector administrative data for statistical purposes.

18. The eight high-level indicators are listed below:

1. Improved statistical capacity measured by a composite score derived from the World Bank SPI methodology.
2. Improved use of statistics measured by the number of downloads of datasets supported by the project.
3. Improved use of statistics measured by the publishing of twelve relevant reports based on statistics supported by the project.
4. Increased availability of sector administrative data for statistical purposes.
5. Number of gender indicators produced using recently adopted international standards on labor statistics and enhanced measurement.
6. Number of Risk and Climate Change indicators produced using recently adopted international environmental standards
7. Satisfaction rate of statistical users of the statistics produced within the framework of the project
8. Percentage of adoption of relevant recommendations made by users of the statistics produced within the framework of the project.

19. Related to the first PDO level indicator, rather than directly using the SPI, the project proposes to use a simplified composite score created specifically for this program that will be measured and monitored in real-time by the project team. Composite indicators like the SPI are useful for international benchmarking and monitoring, but their complexity presents a significant risk to effective project monitoring. The proposed indicator is the sum of ten sub-indicators included in the SPI, covering four out of the five pillars (Table 1). Its baseline score, obtained from the 2020 SPI, is 4.40 out of 10. The project is expected to improve directly or maintain the score of each of these indicators, achieving an end-of-project target of 9.50.

Table 1. List of SPI indicators included in the PDO indicator

SPI Indicator	Link with the project	Baseline 2020	Target 2026
Dimension 2.2: Online access	Communication Strategy - Data dissemination	0.63	1.00
SPI.D2.2. Metadata available	Communication Strategy - Data dissemination	0.65	1.00
Dimension 3.1: Social Statistics	Components 1 to 3	0.78	1.00
GOAL 5: Gender Equality (five-year moving average)	Component 2	0.38	0.50
Dimension 4.2: Administrative Data	Component 3	0.50	1.00
Agriculture survey (Availability score over ten years)	Component 2	0.00	0.50
Dimension 4.1: Censuses and Surveys - Surveys only (Household and Labor Surveys)	Component 1	0.80	1.00
Dimension 4.1: Censuses and Surveys - Censuses only (Population Census 2022)	Component 1 and 3	0.67	1.00

CPI base year	Component 2	0.00	0.75
Classification of status of employment	Component 2	0.00	0.75
Pillar 5. Data infrastructure. Legislation Indicator based on SDG 17.18.2	Component 3	0.00	1.00
Total		**4.40**	**9.50**

Source: Own estimations

20. Twelve relevant methodological and analytical reports will be produced and released based on the statistics created under the project. The relevant PDO indicator is: "improved the use of statistics measured by the publishing of 12 relevant reports based on statistics supported by the project". These reports will be produced and delivered based on the statistics included in components 1 and 2. The contents will include information on poverty levels (based on an analysis of unsatisfied basic needs), levels of technology adoption in the agricultural sector, and environmental practices in homes. Also included will be details of the methodology for updating the CFB. (*See the list of reports in Annex 2*).

21. Following the PDO indicator, the project will support the design and implementation of 14 new gender indicators in three key areas: (i) labor statistics using recently adopted international statistical standards; (ii) agriculture statistics with enhanced measurement of ownership and control of land; and (iii) administrative records focused on access to economic opportunity. Specific examples of these new indicators include employment by occupation and by sex; unpaid trainee work by sex; the proportion of agricultural producers with access to land by sex; the issuance of agricultural credit by sex; and the formal labor remuneration by type of career and by sex among recent graduate students.[3] (*See the list of indicators in Annex 3*).

22. Innovations introduced by the project in the areas of citizen engagement and climate change risk will be measured by three PDO level indicators given that they are linked to several activities in components 1, 2 and 3. These indicators are i) Satisfaction rate of statistical users of the statistics produced within the framework of the project, ii) Percentage of adoption of relevant recommendations made by users of the statistics produced within the framework of the project) and iii) Number of Risk and Climate Change indicators produced using adopted international environmental standards.

23. In addition to the PDO indicators described above, the timeliness of data produced under the project will be measured by compliance with the INEC's statistical calendar[4]. The INEC adopted the statistical calendar as a good practice more than a decade ago. The level of compliance with the calendar will be reported in the ISR, the midterm review report, and be explicitly included in the ICR.

24. The PDO refers to high quality high-quality economic and sociodemographic statistics. The project includes international benchmarks, standards, and good practices for quality assurance of the

[3] Ranking of the best paid careers, by year of study, sex, and remuneration for recent graduate students.
[4] https://www.ecuadorencifras.gob.ec/documentos/web-inec/Calendario_Estadistico/Calendario_estadistico_2021/

population census, surveys, and administrative data under the scope of the project. For the population census (coverage or omission rate will be estimated through a post census survey; accuracy will be estimated by Whipple, Myers, and United Nations gender ratio). The intermediate indicators define specific targets based on Ecuador's performance. Survey quality will be estimated through an assessment of the most common sampling and non-sampling errors and the World Bank quality assurance protocols for household surveys. The quality of the administrative data will be measured through the admin data quality assessment tool developed by the World Bank and the specific INEC tool. These elements are considered in the intermediate indicators including specific targets. In addition, the project will use standards and best practices such as the data documentation standards (DDI); the microdata cataloging system (NADA), and the survey solution CAPI system, among others.

D. Project Description

25. **The proposed project aims to improve the quality and the efficiency in producing three fundamental sources of information for basic statistics: (i) census, (ii) surveys, and (iii) administrative records**. These statistics will consolidate the national statistical infrastructure needed to support the improvement of aggregated data and reach relevant statistical milestones, such as rebasing the national account system and CPI. The project will be structured in four components: *(i) Enhancing demographic information with the new Housing and Population Census.* The VII Housing and VIII Population Census will be collected through a multimodal approach (tablets, telephone, web, and paper). It will gather personal identification information to link the census information with other data sources, such as administrative records, among other innovations; *(ii) Strengthening the statistical production from surveys*. This component aims to improve data production and dissemination covering the Income and Expenditure Survey, the Labor Force Survey, and the Agricultural Integrated Survey, plus updating statistical products based on their results. This component will cover main data gaps for proper design of social programs and policies; *(iii) Strengthening statistical production from Administrative Records and the INEC's managerial capacity*. This component will enhance the statistical production, accessibility, and dissemination of administrative records; and *(iv) Project management, monitoring, and evaluation*. The project components and subcomponents (Table 2) were identified through discussions with the INEC and consultation with key stakeholders of the NSS, civil society, non-governmental organizations (NGOs), and development partners. This approach will strengthen citizen ownership to support the sustainable implementation of the project.

Table 2: Components and subcomponents of the project

Component	Description
Component 1:	**Enhancing demographic information with the new Housing and Population Census**
Activity 1.1	Completion of preparatory activities and cartography
Activity 1.2	Data collection and data curation
Activity 1.3	Innovations in the population census
Activity 1.4	Quality in the population census

Component 2:	**Strengthening the statistical production from surveys**
Activity 2.1	Implementing the National Income and Expenditure Survey and updating the poverty lines
Activity 2.2	Changing the base year of price indexes and updating the Consumer Price Index and basic family baskets
Activity 2.3	Implementing the New Labor Force Survey
Activity 2.4	Incorporating the rotating modules of the Agricultural Integrated Survey
Component 3:	**Strengthening the Statistical production from Administrative Records and the INEC's managerial capacity**
Activity 3.1	Strengthen the architecture and infrastructure for capturing processing, storage, and visualization
Activity 3.2	Create primary and complementary records - Data warehouse
Activity 3.3	Construct an inter-thematic viewer - Data Ecuador
Activity 3.4	Make a virtual information laboratory for the INEC
Activity 3.5	Strengthening the INEC's managerial capacity
Component 4:	**Project management, monitoring, and evaluation**
Activity 4.1	Project Implementation Unit (PMU)
Activity 4.2	Project Monitoring and evaluation

Source: Own elaboration

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

26. Based on the available information, the proposed environmental risk classification for the project is Moderate under the ESF. This classification is based on the following: (i) the environmental risks resulting from the physical census execution are not significant as the activities refer to basic logistics and simple social interrelationships; (ii) the operation will neither finance or require large civil works activities nor will it support other activities likely to cause environmental harm; and (iii) the project includes the purchase of information technology equipment (approximately 18,000 tablets) for the execution of the census, which could lead to adverse environmental impacts in the event of inadequate or improper handling or disposal, or disposal that differs from local legislation and the procedures recommended by the manufacturers. In order to manage this last risk, during project preparation INEC will identify a procedure for the proper management of potential electronic waste, including measures for prevention and mitigation in accordance with local environmental legislation and the ESF. At this time, no specific environmental studies will be required.

27. Based on the available information, the proposed social risk classification for the project is Moderate. The activities to be carried out as part of the project do not involve any physical impacts on territories or communities, since they will essentially require information gathering from households to

produce aggregated statistical data at the national level. The main social risks associated with this project are: (i) risks to community health and safety during census execution, when household members may be exposed to COVID-19 virus transmission, sexual harassment and assault, and become victims of criminals posing as enumerators; (ii) risks associated with occupational health and safety, since the health and/or physical integrity of INEC's field team during the data collection phase could be placed at risk when they work in unsafe neighborhoods or conflict areas, in addition to the risk posed by the transportation of personnel through unsafe roads; (iii) risks of sexual harassment and discrimination in the workplace, particularly resulting from the hiring of a significant number of enumerators, supervisors, and administrative staff, many of which will need to travel and use temporary accommodations; (iv) risks associated with the cultural sensitivity of the population, especially in indigenous communities, during the field visits and in communication campaigns; and (v) risks associated with the use of security personnel, considering that INEC has mentioned that such personnel may need to provide support during the field phase, which may pose a risk to communities and individuals. These risks are associated with a context where the ability of the PIU to effectively monitor compliance with the relevant ESF provisions during the execution of the Project may be limited, particularly given the ongoing pandemic restrictions, along with the national scale of the project, in a country characterized by a high proportion of ethnic and racial minorities such as indigenous peoples, Montuvios, and Afro-descendants (IPAMs), as well as other vulnerable groups.

28. In order to manage the E&S risks identified to date, the implementing agency will have to develop three E&S management tools under the Standards of the ESF that are relevant to the project: (i) an ESCP; (ii) a Stakeholder Engagement Plan (SEP); and (iii) Labor Management Procedures (LMP). The ESCP shall include: (i) specific commitments related to adequate e-waste management; (ii) commitments related to stakeholder engagement, including implementation of a communication strategy and preparation and operation of a project-level grievance redress management (GRM); (iii) specific measures for addressing impacts on IPs; (iv) a code of conduct for the direct project workers, including provisions for a gender-based violence and sexual exploitation and abuse and sexual harassment (SEA/SH) prevention approach; and (v) a protocol for the management of security personnel.

E. Implementation

Institutional and Implementation Arrangements

29. The INEC will be the agency responsible for implementing the project. As the official provider of statistics in Ecuador, the INEC is the main beneficiary of the project. Therefore, the INEC is the implementing agency for the project to ensure ownership as well as an efficient project implementation and on-the-job capacity building for project management. The INEC's management will have overall responsibility over the project, while the PMU will implement its day-to-day activities.

30. The INEC will lead the coordination with the National Council of Statistics, the Special Statistical

Commission, and the other agencies that comprise the NSS in Ecuador. The INEC is supported by the National Council of Statistics, which is made up of representatives from the National Planning Secretariat (which acts as chair), the Sectoral Cabinets, and the INEC (which serves as the technical secretary). The Council will advise on the INEC's workplan and play an important role setting up the authorizing environment for the Housing and Population Census. Another coordination mechanism is the Special Statistical Commissions. The INEC has the faculty to create these Commissions, which are auxiliary bodies and act as advisers to the INEC. They comprise delegates from the institutions that produce and use statistical information for specific sectors. These Commissions have two types of working groups – strategic and technical – both of which are created by the INEC (which acts as their chair), the National Planning Secretariat, the Sectoral Cabinet(s), and the Ministries or sector-executing agencies related to the main objective of the Commission in question. Currently, there are 13 active Commissions, 11 of which are thematic and two of which are designed to address specific areas of interest under Ecuador's statistical priorities.

31. A Project Steering Committee will be established to provide advice, as well as ensure delivery of the project outputs and the achievement of project development objectives. It will include representatives of key governmental stakeholders. To improve interagency coordination in the context of the Housing and Population Census, the INEC will enter into agreements with relevant ministries, that will be involved in the implementation of the census by providing personnel and facilitating logistics. In the context of administrative data and the remaining surveys supported by the project, the INEC will implement data-sharing agreements that outline timelines and protocols for successful data transfer.

32. The PMU will be staffed with the purpose of strengthening the INEC's capacity to implement the project and fulfill its fiduciary responsibilities. The INEC has little experience implementing World Bank-financed operations. Therefore, the timely recruitment of qualified Technical, Financial Management, Procurement, Environmental and Social (E&S) and Monitoring and Evaluation (M&E) Specialists will be essential for building management capacity in the PMU. Additionally, the World Bank will provide occasional training on project management to ensure compliance with policies and procedures.

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