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Report No: PAD1893

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF EURO 45.7 MILLION  
(US\$50 MILLION EQUIVALENT)

TO THE

GABONESE REPUBLIC

FOR A

STATISTICAL DEVELOPMENT PROJECT

March 9, 2017

Poverty and Equity Global Practice  
Africa Region

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CURRENCY EQUIVALENTS  
(Exchange Rate Effective November 30, 2016)

Currency Unit = Euro  
EUR 0.9128 = US\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CAPI	Computer Assisted Personal Interview
CN-TIPPEE	National Commission for Public Infrastructure Works and Promotion of Small-Scale Enterprises ( <i>Commission Nationale des Travaux d'Intérêt Public pour la Promotion de l'Entreprenariat et de l'Emploi</i> )
CPI	Consumer Price Index
CPS	Country Partnership Strategy
DA	Designated Account
DG	Director General
DGS	General Directorate of Statistics ( <i>Direction Générale de la Statistique</i> )
DHS	Demographic and Health Survey
EGEP	Gabonese Survey for Poverty Assessment ( <i>Enquête Gabonaise pour l'Evaluation de la Pauvreté</i> )
FAO	Food and Agriculture Organization
FM	Financial Management
GDP	Gross Domestic Product
GPN	General Procurement Notice
GRS	Grievance Redress Service
ICB	International Competitive Bidding
IFR	Interim Financial Report
IT	Information Technology
M&E	Monitoring and Evaluation
NA	National Accounts
NCB	National Competitive Bidding
NSA	National Statistical Agency
NSCI	National Commission for Statistical Information
NSDS	National Strategy for the Development of Statistics
NSS	National Statistical System
PAD	Project Appraisal Document
PDO	Project Development Objective
PFM	Public Finance Management
PSGE	Gabon Emergent Strategic Plan ( <i>Plan Stratégique Gabon Émergent</i> )
PIU	Project Implementation Unit
RAS	Reimbursable Advisory Services
REOI	Request for Expressions of Interest

SBD	Standard Bidding Document
SCI	Statistical Capacity Index
SPSS	Statistical Package for the Social Sciences
SSS	Single-source Selection
STATA	Data Analysis and Statistical Software
TTL	Task Team Leader
UNDB	United Nations Development Business
WAEMU	West African Economic and Monetary Union

Regional Vice President:	Makhtar Diop
Country Director:	Elisabeth Huybens
Senior Global Practice Director:	Carolina Sanchez Paramo
Practice Manager:	Pablo Fajnzylber
Task Team Leader:	Abdoullahi Beidou

# GABON

## Statistical Development Project

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**PAD DATA SHEET***Gabon**Statistical Development Project (P157473)***PROJECT APPRAISAL DOCUMENT***AFRICA**GPV01*

Report No.: PAD1893

<b>Basic Information</b>			
Project ID P157473	EA Category B - Partial Assessment	Team Leader(s) Abdoullahi Beidou	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ]		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 30-March-2017	Project Implementation End Date 31-Dec-2021		
Expected Effectiveness Date 31-May-2017	Expected Closing Date 31-Dec-2021		
Joint IFC No			
Practice Manager/Manager Pablo Fajnzylber	Senior Global Practice Director Carolina Sanchez Paramo	Country Director Elisabeth Huybens	Regional Vice President Makhtar Diop
Borrower: Gabonese Republic			
Responsible Agency: Commission Nationale des Travaux d'Intérêt Public pour la Promotion de l'Entreprenariat et de l'Emploi (CN-TIPPEE)			
Contact: Telephone No.:	Richard DAMAS 0024105190403	Title: Email:	Secrétaire Permanent tippeegabon@cntippee.org
<b>Project Financing Data(in US\$, millions equivalent)</b>			

<input checked="" type="checkbox"/> Loan	<input type="checkbox"/> IDA Grant	<input type="checkbox"/> Guarantee								
<input type="checkbox"/> Credit	<input type="checkbox"/> Grant	<input type="checkbox"/> Other								
Total Project Cost:	50.00	Total Bank Financing:	50.00							
Financing Gap:	0.00									
<b>Financing Source</b>										
			<b>Amount</b>							
Borrower			0.00							
International Bank for Reconstruction and Development			50.00							
Total			50.00							
<b>Expected Disbursements (in US\$, millions equivalent)</b>										
Fiscal Year	2017	2018	2019	2020	2021	2022	0000	0000	0000	0000
Annual	6.00	14.00	13.00	11.00	5.00	1.00	0.00	0.00	0.00	0.00
Cumulative	6.00	20.00	33.00	44.00	49.00	50.00	0.00	0.00	0.00	0.00
<b>Institutional Data</b>										
<b>Practice Area (Lead)</b>										
Poverty and Equity										
<b>Contributing Practice Areas</b>										
Agriculture, Health, Nutrition & Population, Macro Economics & Fiscal Management										
<b>Proposed Development Objective(s)</b>										
The development objective of this project is to strengthen the statistical capacity of the Borrower, fill key data gaps, improve statistical production, and enhance statistical dissemination practices.										
<b>Components</b>										
<b>Component Name</b>							<b>Cost (US\$, millions equivalent)</b>			
Component 1: Improved Data Collection, Statistical Production, and Dissemination							32.80			
Component 2: Build Technical Capacity and Modernize Infrastructure							13.5			

Component 3: National Statistical System Institutional Reform and Project Management Capacity Building	3.57
<i>Front-end Fee</i>	0.13
<b>Systematic Operations Risk- Rating Tool (SORT)</b>	
<b>Risk Category</b>	<b>Rating</b>
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Low
8. Stakeholders	Low
9. Other	
<b>OVERALL</b>	Moderate
<b>Compliance</b>	
<b>Policy</b>	
Does the project depart from the CAS in content or in other significant respects?	Yes [ ] No [ X ]
Does the project require any waivers of Bank policies?	Yes [ ] No [ X ]
Have these been approved by Bank management?	Yes [ ] No [ X ]
Is approval for any policy waiver sought from the Board?	Yes [ ] No [ X ]
Does the project meet the Regional criteria for readiness for implementation?	Yes [ X ] No [ ]
<b>Safeguard Policies Triggered by the Project</b>	
Environmental Assessment OP/BP 4.01	Yes [ X ] No [ ]
Natural Habitats OP/BP 4.04	Yes [ ] No [ X ]
Forests OP/BP 4.36	Yes [ ] No [ X ]
Pest Management OP 4.09	Yes [ ] No [ 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
<b>Legal Covenants</b>			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Recruitment of an accountant		31-July-2017	
<b>Description of Covenant</b>			
The Borrower shall recruit, not later than two (2) months after the Effective Date, an accountant to support the Project financial management activities, in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement and pursuant to terms of reference satisfactory to the Bank.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Upgrade the PIU's existing software		31-July-2017	
<b>Description of Covenant</b>			
The Borrower shall upgrade, not later than two (2) months after the Effective Date, the PIU's existing accounting software acceptable to the Bank, for the Project.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Recruitment of an external auditor		31-Oct-2017	
<b>Description of Covenant</b>			
The Borrower shall recruit, not later than five (5) months after the Effective Date, the external auditor referred to in Section 5.09(b) of the General Conditions, in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement and pursuant to terms of reference satisfactory to the Bank.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Operationality of the NSA		31-May-2019	
<b>Description of Covenant</b>			
The Borrower shall, not later than twenty-four (24) months after the Effective date, ensure that the NSA has operational capacity, including staffing and other resources satisfactory to the Bank, to effectively perform its mandate and assist the PIU in the technical aspects of Project implementation.			
<b>Conditions</b>			

<b>Source Of Fund</b>	<b>Name</b>		<b>Type</b>	
IBRD	Project Operations Manual		Effectiveness	
<b>Description of Condition</b>				
The Project Operations Manual has been adopted in accordance with Section I.B of Schedule 2 to the Financing Agreement.				
<b>Team Composition</b>				
<b>Bank Staff</b>				
<b>Name</b>	<b>Role</b>	<b>Title</b>	<b>Specialization</b>	<b>Unit</b>
Abdoullahi Beidou	Team Leader (ADM Responsible)	Senior Economist/ Statistician	Economist Statistician	GPV01
Kouami Hounsinou Messan	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Senior Procurement Specialist	GGO07
Celestin Adjalou Niamien	Financial Management Specialist	Senior Financial Management Specialist	Senior Financial Management Specialist	GGO26
Aissatou Diallo	Team Member	Senior Finance Officer	Senior Finance Officer	WFALN
Albert Francis Atangana Ze	Safeguards Specialist	Consultant	Safeguards Specialist	GEN07
Clarence Tsimpo Nkengne	Team Member	Senior Economist	Economist	GPV01
Elikia M. V. Kamga Nenkam	Team Member	Consultant	Operations Support	GPV01
Gerard Joseph Mataban Jumamil	Team Member	Consultant	Consultant Counsel	LEGAM
Johan A. Mistiaen	Team Member	Program Leader	Economist	AFCE2
Kristyna Bishop	Safeguards Specialist	Senior Social Development Specialist	Senior Social Development Specialist	GSU01
Martin Pedro Buchara	Team Member	Program Assistant	Program Assistant	GPV01
Maya Abi Karam	Counsel	Senior Counsel	Senior Counsel	LEGAM
Senait Kassa Yifru	Team Member	Operations Analyst	Operations Analyst	GPV01
<b>Extended Team</b>				
<b>Name</b>	<b>Title</b>	<b>Office Phone</b>	<b>Location</b>	

<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>					
Consultants Required?					
Consulting services to be determined.					

## I. STRATEGIC CONTEXT

### A. Country Context

1. **Gabon is a country located in Central Africa with a surface area of 267,667 km<sup>2</sup>. It is one of Sub-Saharan Africa's few upper-middle-income countries that has benefited from a decade of steady economic growth, but is now facing headwinds from low oil prices.** The population is estimated at about 1.8 million and over 85 percent live in urban areas, with Libreville, the capital, accounting for 45 percent. Half of the Gabonese population is below 19 years of age. Gabon is a well-endowed country with arable land, forests, and mineral and oil resources. For instance, 80 percent of the country is covered by equatorial rainforests and it is the fifth largest oil producer in Sub-Saharan Africa. In addition, Gabon is the second largest exporter of manganese.
2. **The oil price shock is negatively affecting domestic demand, gross domestic product (GDP) growth, public finance, and external accounts since 2014.** From 2008 to 2013, real economic growth averaged an impressive 5–7 percent per annum, but the recent decline in oil prices and subsequent loss of revenue has led to a slowdown, with GDP growth falling from 5.6 percent to 4.3 percent between 2013 and 2014, and further declining to 3.9 percent in 2015. Moreover, in 2014, the total fiscal and non-fiscal revenues declined to 26.1 percent of GDP, down from 30.2 percent in 2013. As a result, public expenditures, particularly public investment, were cut sharply from 10.6 percent of GDP in 2013 to 6.7 percent in 2014. Given the two months of political tensions around the presidential election, the fiscal picture will further deteriorate in 2016, with a projected deficit of 2.7 percent of GDP, as oil production declines and prices remain low, before the deficit progressively decreases to 1.8 percent in 2018 as non-oil revenues kick in.
3. **High per capita income levels and economic growth of the previous years did not result in rapid poverty reduction, shared prosperity, and improved human development outcomes.** Poverty and inequality levels in Gabon remain high, but data is outdated—the most recent baselines are over a decade old—and precise levels are unknown. The population living on less than US\$3.10 per day (in 2011 purchasing power parity terms) was last measured as 24 percent in 2005. Gabon is ranked a dismal 110 (out of 187 countries) in the 2015 Human Development Index report, which is far below countries with similar GDP per capita. In the absence of an integrated program of economic and household surveys to produce relevant and timely data, there has been a lost opportunity to inform economic policy, understand and maximize the development impact of economic growth, and mitigate the adverse effects of shocks—including the recent decline in oil prices.
4. **In 2010, the Government commenced the implementation of the Emerging Gabon Strategic Plan (*Plan Stratégique Gabon Émergent*, PSGE) which articulates, among other priorities, the need to strengthen the National Statistical System (NSS).** The PSGE aims to reduce the country's dependence on natural resource extraction by fostering economic diversification and position the country as an emerging market by 2025. The PSGE recognizes that infrequently collected data and untimely disseminated statistics are not conducive to design and implementation of an evidence-based economic policy agenda. Accordingly, the PSGE aims to (a) consolidate the legal and institutional framework of the NSS and (b) strengthen its capacity to generate and disseminate good quality—timely, frequent, and policy relevant—data and statistics.

## B. Sectoral and Institutional Context

5. **The Gabonese statistical system is far from meeting the needs of users and its overall capacity is very weak.** A National Strategy for the Development of Statistics (NSDS) to improve statistical capacity was prepared, but only partially implemented due to a 70 percent financing gap. For 2011–2015, the Government endorsed the NSDS that was prepared with support from the Partnership in Statistics for Development in the 21st Century<sup>1</sup>. Achievements include successfully implementing the 2012 Demographic and Health Survey (DHS) and undertaking of the 2013 Population Census. However, most of the statistical activities in the NSDS—including conducting a household expenditure and poverty survey, an agricultural census, an enterprise census, and an informal sector survey—were not implemented due to lack of financial resources. During this period, only 30 percent (US\$11.6 million) of the US\$38.2 million total cost required to fully implement the NSDS was made available. Other areas identified in the NSDS that lacked financing include addressing staffing and skills gaps, infrastructural shortages, and the inadequate working environment.

6. **Statistical capacity in Gabon is aberrantly weak for an upper-middle-income country and has deteriorated over the past decade.** In 2016, Gabon’s overall Statistical Capacity Index (SCI) score was 36.7, declining from 47.8 points in 2005, which now is the 8<sup>th</sup> lowest among 155 developing countries, well below the Sub-Saharan African, and IBRD countries’ average scores of 59.9, and 75.3, respectively. The declining trend in Gabon’s overall SCI score over the past decade is in sharp contrast to statistical developments in some Sub-Saharan African countries, including both low- and middle-income and both fast- and slow-growing economies.

7. **The low and declining SCI for Gabon reflects deepening gaps in source data and the lagging, low volume, and poor quality of official statistical production.** The source data—a household income and expenditure survey—for measuring poverty and inequality, weighting the Consumer Price Index (CPI) basket, and informing development policy is over a decade old. The National Accounts (NA) are outdated and quality is low: the base year is 2001; the last measures produced date back to 2009; and the most recent estimates produced were for 2012. Similarly deep gaps in source data, from both sample surveys and administrative sources, are pervasive in the key sectoral statistics, including agriculture and in the business register. For instance, the data on the informal sector in NA are based on a partial monographic study conducted in 2000. As a result, for each year, the informal sector is simply assumed to increase at the same pace as population growth. Agriculture statistics desperately needed are also missing. Since 1968, Gabon has not conducted agriculture census or annual agriculture surveys. Between 2003 and 2005, an attempt to fill the gap with the Food and Agriculture Organization (FAO) support was not completed because of lack of funding. In addition, by 2018, a new DHS has to be conducted to keep the country on track on international good practices related to having such survey once every five years.

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<sup>1</sup> The Partnership in Statistics for Development in the 21st Century promotes the better use and production of statistics throughout the developing world. It was established in 1999 by the United Nations, the European Commission, the Organization for Economic Co-operation and Development, the International Monetary Fund, and the World Bank.

8. **Dissemination and coordination practices in the NSS require strengthening.** Dissemination of statistical products lags substantially behind data collection. During the past five years only a handful of statistical products were disseminated and household survey microdata is generally not available. The annual statistical yearbook was last published in 2011. Until April 2015, the 2013 Population Census' provisional results were not released and it took more than two years before the final results were disseminated. Administrative health data for 2008 and 2011 were collected and compiled but never disseminated. The health statistical yearbook was last published in 2005. Only a handful of staff are able to use the statistical software tools used to compute and produce statistical outputs from raw household survey, census, and administrative data.

9. **In addition to source data gaps, the statistical production process is constrained by the lack of analytically qualified staff, poor infrastructure, and an inadequate working environment.** Only a handful of NSS staff are skilled in using the statistical software packages (such as SPSS and Stata) required to compute and generate statistics from sample survey data. In 2015, only 20 percent of the 250 staff of the General Directorate of Statistics (*Direction Générale de la Statistique*, DGS) had the right profile for a statistical service. In addition to lacking expertise in software, operations are severely constrained by a shortage of information technology (IT) hardware and physical infrastructure. Internet access is unreliable. The ratio of computers to staff is 1:3 and half of the computers that are in use were acquired in 2007. There is an acute shortage of office furniture—including desks and chairs—and the vast majority of staff share (in groups of four to six) cramped and dilapidated office spaces.

10. **A new Statistics Act was adopted in 2014 and an institutional reform process is under way to establish an autonomous National Statistical Agency (NSA) at the apex of the NSS.** The 2014 Statistics Act seeks to establish an institutional environment that will be more conducive toward efforts to strengthen the capacity of Gabon's NSS to generate better, timelier, and more accessible data and statistics to inform policy makers and monitor progress. This new law, consistent with the principles of the African Charter of Statistics and in line with the United Nation's Fundamental Principles of Official Statistics, transforms the DGS (currently a ministerial department) into the NSA—an autonomous entity with the mandate to coordinate the NSS; conduct the decennial population census and the major nationally representative surveys; and produce, disseminate, and archive official economic, demographic, and social statistics.

11. **In addition, the new law establishes a decentralized statistical system with the agency as the central organ of the system.** The different ministries are given the responsibility for the compilation of statistics related to their sectors, mainly from administrative sources. The law also puts in place an independent body, the National Commission for Statistical Information (NCSI), to regulate and orientate the statistical system. It also introduced several new features, including (a) fundamental principles of official statistics; (b) public access to anonymous microdata; and (c) the requirement to harmonize, within the national statistical producers, concepts, classification, and statistical methods in accordance with international standards.

12. **Following the law, a first decree, which determines the juridical status of the agency, has been adopted in 2015 by the Government.** However, the complete implementation of the law, so that the agency can be operational, needs that many complementary regulations and decrees be adopted. In this regard, through a statistical Reimbursable Advisory Services (RAS) agreement

that Gabon has with the World Bank, technical assistance has been provided to draft all the needed regulations and decrees and submitted to the Government. They are expected to be adopted this year.

13. **In recent years, the Government has committed to provide more support to the DGS and the NSS.** For instance, major operations such as the 2012 DHS and the 2013 population census were totally funded by public funds. Such actions illustrate a change in mindset, and the growing demand for quality and up-to-date data for evidence-based policy decisions.

14. **The proposed project is fully in line with the objectives of the NSDS and will support the ongoing institutional reform process.** The proposed project aims to sustain the ongoing efforts to strengthen the capacity of the NSS and is structured into three components. They are (a) Improved Data Collection, Statistical Production, and Dissemination; (b) Build Technical Capacity and Modernize Infrastructure; and (c) National Statistical System Institutional Reform and Project Management Capacity Building.

### **C. Higher Level Objectives to which the Project Contributes**

15. **Statistics are a key input for the design and evaluation of development strategies and programs.** By supporting national capacity for the production and dissemination of statistics, the proposed project will help improve evidence-based decision making and ultimately development impacts.

16. **Stakeholders' demand for statistics.** The need for more recent statistical information is a recurrent demand constantly expressed by both national and international users of statistics, including the Government, private sector, civil society, academics, and development partners. In this respect, implementation of the Government's medium-term plan requires better statistical information, which is currently unavailable. Strengthening the information base will therefore strengthen the country's capacity to prepare the necessary information that is needed for more effective and informed decision making.

17. **The proposed project is fully aligned with the Performance and Learning Review of the FY12–FY16 World Bank Country Partnership Strategy (CPS) (Report No. 95842-GA, presented to the Board of Executive Directors on April 5, 2016) and the Government's PSGE.** A key action in the PSGE was the development of an NSDS which was accomplished and supported by the World Bank. The proposed project is designed to support implementation of the NSDS and particularly the key activities therein that are prioritized in the two-year extended CPS and the PSGE. The CPS supports the PSGE in two strategic thematic areas: (a) increasing Gabon's competitiveness and employment; and (b) reducing vulnerability and supporting resilience.

18. **Crosscutting themes of governance and gender equity complement the strategic thematic areas and are strongly reflected in the project design through closing critical data gaps—including gender indicators—and improving access and dissemination of statistics through an open data approach.** The CPS specifically proposed to undertake a new household survey to update key indicators, last measured in 2005, on poverty, gender, youth, health, and social protection. These data, complemented by better macroeconomic and sector statistics, are necessary inputs to build a knowledge base and conduct applied economic analysis to inform and

assess the World Bank’s support and the design of government policies in the two strategic thematic areas. Data and statistics are key inputs to design, manage, and monitor effective development strategies, policies, and programs. By strengthening the capacity to produce better statistics and open data, the proposed project will help improve evidence-based decision making and foster good governance, which will in turn improve development outcomes.

19. **The proposed project will generate the currently missing data that are necessary to inform the results focus of the World Bank Group on the twin goals of eradicating extreme poverty and boosting shared prosperity.** The operation is also aligned with the World Bank Group’s strategic priorities in the Africa region which include helping countries generate more and better-quality poverty and shared prosperity data; develop a model for collaborating with the International Monetary Fund, which has the lead role in NA and, more broadly, build capacity to promote greater use of statistics.

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. PDO**

20. The proposed project development objective (PDO) of this project is to strengthen the statistical capacity of the Borrower, fill key data gaps, improve statistical production, and enhance statistical dissemination practices.

### **B. Project Beneficiaries**

21. The main beneficiaries of the project outcomes are the Gabon Statistical System, the Government, and the general public of Gabon. The immediate beneficiaries are particularly the NSA, the NCSI, the Ministry of Agriculture, and the General Directorate of Economy and Fiscal Policy. They will directly benefit from support to carry out some statistical and coordination activities and their staff will learn in the process. The staff of the DGS will also benefit from improved working conditions and the improved management system of the DGS that will be transformed into an autonomous entity.

22. With improved statistical information, ministries, as well as development partners, will be better able to manage for development results. The capacity to manage will improve through the provision of more accurate and timely statistical information, particularly on poverty, inflation, GDP, health, employment, and agriculture. Although the project cannot be held accountable for this level of outcome, the general public may benefit from the project’s products, either through the policies that are implemented based upon the information generated through the project or through information made available that help them increase accountability of the decision makers at national and regional levels.

### **C. PDO Level Results Indicators**

23. The key aspects of the PDO are the strengthening of the Borrower’s statistical capacity, filling key data gaps, improving statistical production, and enhancing dissemination practices. In this respect, the key data gaps identified pertain to poverty, NA, price, and agriculture and health statistics. As a result, progress toward the PDO will be measured and monitored through the following indicators:



- (a) Increase in Gabon’s Statistical Capacity Index score;
  - (b) Number of welfare, agriculture, economic, and business surveys and censuses conducted;
  - (c) Improved national accounts and price statistics;
  - (d) Number of survey and census microdata files freely available online.
24. The following key outputs of the project will be monitored:
- (a) Number of staff at the Statistics Office with improved skills;
  - (b) Data collection of the next welfare survey is completed;
  - (c) Data collection of the next DHS is completed;
  - (d) Base year of the CPI is updated;
  - (e) Increase in the number of qualified technical staff working on national accounts at the Statistics Office.

### **III. PROJECT DESCRIPTION**

#### **A. Project Components**

25. The proposed project is structured into three components. They are (a) Improved Data Collection, Statistical Production, and Dissemination; (b) Build Technical Capacity and Modernize Infrastructure; and (c) National Statistical System Institutional Reform and Project Management Capacity Building.

#### **Component 1: Improved Data Collection, Statistical Production, and Dissemination (US\$32.8 million equivalent)**

26. The first component will support improved data collection, statistical production, and dissemination. Because the ultimate objective of each NSS is to deliver reliable and timely statistics to the Government, citizens, businesses, international organizations, and other institutions for informed decisions, this output and outcome-oriented component is the first pillar of the proposed project. The overall aim of this component is to support the Gabonese NSS toward this goal. Specifically, it aims to fill critical data gaps, expand and improve statistical production, and enhance data accessibility and dissemination practices. In this respect, the three focus areas of this component are (a) National Accounts and Real Sector Statistics; (b) Welfare Monitoring Statistics; and (c) Agricultural Statistics. These areas of focus were selected by a policy-driven approach, including the most pressing demands in the Government PSGE. These focus areas are also in line with the priorities expressed in the NSDS.

*Subcomponent 1.1: National Accounts (NA) and Real Sector Statistics (US\$8.5 million equivalent)*

27. In addition to the shortcomings in source data, the current capacity and staffing levels in the DGS unit responsible for the compilation of NA are insufficient. In this regard, the priority will be the capacity building of the staff and support on data collection and processing. The methodology of NA currently in use will be upgraded to ensure compliance with international standards and best practices. To ensure medium-term sustainability, the project will provide in-house technical assistance through a resident lead NA expert and three high-level statisticians to work alongside and build the skillset and capacity of the existing staff. The project will also fund the realization of a national economic census, to update the business register, quarterly business surveys as well as some specific related surveys that are needed. The overall objective will be to (a) eliminate the four-year backlog in producing NA estimates; (b) bring the production and dissemination cycle of NA statistics up to date; (c) develop capacity to produce quarterly NA estimates; (d) update the currently in use methodology of NA to ensure its compliance with international standards and best practices (an action plan and work toward compliance with the 2008 System of National Accounts' standards will be developed and implemented); (e) undertake a census of establishments and economic activities (f) rebase the NA by incorporating the new source data that will be made available through the support of the project, especially the planned household, agricultural, and business census and surveys (new source data from the last 2013 population and housing census will also be used in this process); and (g) develop a new macroeconomic projection model.

28. The project will also strengthen price statistics and aim to (a) update the CPI base year from 2003 to 2017 using the Gabonese Survey for Poverty Assessment (*Enquête Gabonaise pour l'Evaluation de la Pauvreté*, EGEP) II data and (b) enhance the monthly price data collection operations from 2018 onward by refining the list of products and services and expanding the geographical market coverage beyond Libreville to three additional cities—Franceville, Port-Gentil, and Oyem. A technical study will be financed to determine whether a potential shift to Computer Assisted Personal Interviews (CAPIs) to collect market price data would be feasible and cost effective. The base year's prices of the index are expected to be collected throughout 2018 and the production of the new index would start in 2019. The project further proposes to finance technical assistance by CPI experts as well as data collection costs, including equipment and software.

29. The project will also provide support to regularly produce and disseminate macroeconomic statistics and leading indicators to enable timely monitoring of the economy. The production of regular flagship annual statistical publications will also be supported (for example, the statistical yearbook and annual wage rate statements). Finally, technical assistance will be supported to design a data collection approach that is able to cost-effectively produce regular labor force indicators to complete the suite of statistics required to monitor the real sector of the economy.

#### *Subcomponent 1.2: Welfare Monitoring Statistics (US\$13.5 million equivalent)*

30. The project will finance data collection for two household income, expenditure, and living standards surveys—EGEP II and III—to be conducted in 2017 and 2020, respectively. The 2017 survey will also contain a module on the informal sector and both surveys will include a module on employment. The core methodology of the surveys related to household consumption data collection will be based on current best practices and follow the World Bank-endorsed approach adopted by the West African Economic and Monetary Union (WAEMU) countries. These surveys

will be conducted using a CAPI methodology. In accordance with the General Data Dissemination Standard guidelines, publically and freely available reports with poverty numbers will be published within 9–12 months following the end of data collection.

31. The technical assistance needed to design and develop the questionnaire and the tablet software to implement the 2017 survey has been provided through the abovementioned RAS. Support from the project will not only take over the RAS with regard to the remaining technical assistance needed for that survey but will go beyond and covers the costs of the pilot survey and of all the field activities, including data collection equipment (mainly vehicles and tablets), enumerators, controllers, supervisors, and trainings. The project's funding has already been made available for all these costs through the Project Preparation Advance of US\$3.75 million granted to the Government. The support to the 2017 survey will also include the realization of poverty analysis workshops and help produce and peer review the reports.

32. In contrast, the cost of the 2020 survey will be fully funded by the project, including technical assistance to prepare the survey if needed. The 2020 survey will follow the same methodology adopted for the 2017 survey, to start implanting a system of poverty household surveys comparable and of good quality.

33. The project will also provide additional technical assistance to produce a thematic socioeconomic atlas for Gabon based on the 2013 population census. Funding will also be made available to generate a small-area poverty map using the 2017 EGEP II. Furthermore, technical assistance will be provided to prepare the technical documentation of the 2023 population census. Finally, to provide updated data to monitor welfare statistics from a demographic and health perspective and provide important gender indicators, the project will finance implementation of a DHS in 2017, including the contract with Inner City Fund - Macro to support and supervise the survey, as was the case in 2012 when Gabon conducted a similar survey.

#### *Subcomponent 1.3: Agricultural Statistics (US\$8.8 million equivalent)*

34. To fill data gaps and enable the production of agriculture statistics, the project will support two main data collection activities: (a) an agriculture census in 2018 and (b) at least three annual agricultural production surveys to be conducted by the Ministry of Agriculture with the support of the NSA and technical assistance from the FAO. The census will be conducted in accordance with the modular approach recommended by the FAO. This approach encompasses a core census module based on complete enumeration or a large sample to provide key data and one or more supplementary census modules to cover selected topics in-depth.

35. Because agriculture is essentially practiced in rural areas, the census will principally cover this area, which represents 14 percent of the population in Gabon. However, the 2013 population census data will be analyzed to determine whether some urban areas are to be included. The census will be based on a complete screening of the concerned area, which will lead to a sample frame for the agriculture surveys. The reference master frame of the agriculture census will be the enumeration areas of the 2013 population census and the census will cover both crops and animal species.

36. In the three years after the agriculture census, a sample from the agriculture census will be used to carry out annual agricultural production surveys. During the surveys, many supplementary modules will be covered for an in-depth analysis of selected issues, including drivers of agricultural productivity.

37. The project will finance the hiring of a seasoned agriculture statistics specialist to support the Ministry of Agriculture with the design, implementation, and analysis of the census and the surveys. Publically and freely available reports detailing the findings from each survey will be produced and published within 9–12 months following the end of data collection.

*Subcomponent 1.4: Improve Data Access and Dissemination (US\$2 million equivalent)*

38. Filling critical data gaps is not just about enabling the measurement of gender disparities or changes in poverty or in employment levels. When these data and statistics are disseminated freely and widely, they do not just inform policy makers. Open data and timely statistics will also inform development partners, the private sector, and the Gabonese public in general. That in turn unleashes the potential to inspire and catalyze broad-based efforts to reduce poverty, create jobs, and foster gender equality.

39. The objective of this subcomponent is to improve data access and dissemination by financing (a) the redesign of NSS agency and line ministry department websites in line with open data principles; (b) the formulation and adoption of data dissemination and microdata access policies; and (c) technical assistance and training to roll out the ‘Accelerated Data Program’ initiative and provide free online access to anonymized census and household survey microdata. In addition, the project proposes to finance the establishment of a small-scale printing and publishing unit at the new NSA to enhance the dissemination capacity of the NSS. The cost of producing quarterly and annual statistical bulletins by the NSA will also be funded through this subcomponent.

**Component 2: Build Technical Capacity and Modernize Infrastructure (US\$13.5 million equivalent)**

40. The staff’s technical capacity, the working environment, and the availability of adequate equipment are important pillars of statistical capacity. They are important factors in the productivity of each NSS institution. In this regard, the aim of this component is to strengthen the overall technical capacity and skills of staff and modernize the infrastructure, especially at the new NSA. To that end, the project intends to support human resources development, and finance the renovation and refurbishment of the building that will host the headquarters of the new NSA to be created.

*Subcomponent 2.1: Build Technical Capacity (US\$2 million equivalent)*

41. Through this component, the project will invest in (a) implementing a training and skill enhancement program for existing staff and (b) providing scholarships (tuitions and stipends) to Gabonese candidates who successfully pass the competitive entrance examination to study abroad in the regional statistical schools degree-granting institutions that are supported by international quality assurance standards. The overall objective of this subcomponent is to increase the proportion of the National Statistics Office professional staff with formal degrees or on-the-job

training in areas related to statistics, demography, economics, and IT (particularly programming). The training program for existing staff will be conducted primarily in-house, will be designed by experts to fit precise needs, and will focus on specific statistical skills that are linked directly to data collection or statistical production activities, with the aim of permanently improving the quality of the statistical products.

*Subcomponent 2.2: Modernize Infrastructure (US\$11.5 million equivalent)*

42. The project will finance the renovation and refurbishment of the building used by the DGS, which the Government has officially allocated as the building that will serve as the headquarters of the new NSA. The activities to be financed include work to undertake interior renovations of the building, procurement of office furniture, and enhancement of the electrical and IT systems. Equipment for data collection (vehicles), for data processing, analysis, and storage (servers, computers, and laptops) as well as for data dissemination (web servers and printing and scanning equipment) are also needed to enable data collection, production, and dissemination activities.

43. The project will also finance the establishment of a modern and functional data center to facilitate the implementation of the ongoing modernization of data collection processes by the use of new technologies. The data center will particularly ensure management of the IT system, data dissemination, and archiving, and tablet-based data collection processes.

**Component 3: National Statistical System Institutional Reform and Project Management Capacity Building (US\$3.575 million equivalent)**

44. The statistical governance, comprising the regulatory framework governing the system and the structure and management of the NSS, is an important component of statistical capacity because of its impact on the effectiveness of the system. On the other hand, having overall good quality project management is crucial for achieving the current PDO. Therefore, the aim of this component is to support implementation of the ongoing statistical institutional reform and ensure that there is adequate capacity for project management.

*Subcomponent 3.1: National Statistical System Institutional Reform (US\$1.2 million equivalent)*

45. The aim of this subcomponent is to support implementation of the ongoing NSS institutional reform in accordance with the 2014 Statistics Act, to particularly ensure that the new NSA and the new statistical coordination council are efficiently operational. Through a previous RAS, technical assistance has been provided to prepare all the regulations required to have the two bodies start their activities. The Government is expected to adopt the prepared regulations in 2017.

46. In this respect, this project will not only take over all the technical assistance intended to be provided by the RAS but will also focus on the development of annual business plans of the NSA, the development and implementation of an effective human resources management system, and on strengthening the NCSI. In this regard, this subcomponent will support (a) the design of the next NSDS and finance technical assistance to develop, implement, and monitor the agency's annual business plans; (b) the recruitment of a senior statistics advisor; (c) the financing of technical assistance to develop a results-based management system; and (d) statistical coordination activities through the NCSI.

47. Because the main objective of the NSDS is to draw an action plan on what will be done during the next four to five years to ensure that better statistics are made available to meet the priority needs of national and international decision makers as well as those of civil society, the NSDS will in turn offer the opportunity to the NSA to develop its annual business plans accordingly. The programming exercise will help the NSA establish a new standard of corporate performance and the process is expected to be executed with the full involvement of all services to ensure the support of all and develop a sense of responsibility and commitment from all the agency's entities. Furthermore, this annual activity programming exercise must ensure that for each product, the costs are assessed and the planning period of issuance of each product is indicated.

48. The senior statistics advisor will be based at the Statistics Office and provide guidance to the Director General (DG) and senior management team to support implementation of the institutional reforms and change process of the NSS. The objective of developing a results-based management system is to establish a staff evaluation and monitoring approach that provides incentives and career development opportunities to well-performing staff.

*Subcomponent 3.2: Project Management (US\$2.375 million equivalent)*

49. This subcomponent will finance the National Commission for Public Infrastructure Works and Promotion of Small-Scale Enterprises (*Commission Nationale des Travaux d'Intérêt Public pour la Promotion de l'Entreprenariat et de l'Emploi, CN-TIPPEE*) to manage all nontechnical aspects of the project activities, including procurement, financial management (FM), monitoring and evaluation (M&E), and safeguards support. Some of the CN-TIPPEE operational costs will be shared with the other World Bank-funded projects managed by the CN-TIPPEE, but a dedicated project team within the CN-TIPPEE will be recruited and wholly funded by the project, and will report to the permanent secretary. The CN-TIPPEE's project management team will also build capacity of the NSA's administrative and project management staff.

50. Funding will also be made available to the Statistics Office to organize user satisfaction surveys, aimed at strengthening dialogue with the users of statistics and assessing the impact of the project activities.

## **B. Project Financing**

51. The lending instrument selected is an Investment Project Financing, financed through a Euro-denominated IBRD loan in the amount of US\$50 million equivalent. The budget will be executed during a period of five years (2017–2021). The following table shows the estimated project cost by components.

## Project Cost and Financing

Project Components	Project Cost (US\$, millions equivalent)	IBRD Financing	% Financing from IBRD
<b>1. Improved Data Collection, Statistical Production, and Dissemination</b>	<b>32.8</b>	<b>32.8</b>	<b>100.0</b>
1.1 National Accounts and Real Sector Statistics	8.5	8.5	
1.2 Welfare Monitoring Statistics	13.5	13.5	
1.3 Agricultural Statistics	8.8	8.8	
1.4 Improve Data Access and Dissemination	2.0	2.0	
<b>2. Build Technical Capacity and Modernize Infrastructure</b>	<b>13.5</b>	<b>13.5</b>	<b>100.0</b>
2.1 Build Technical Capacity	2.0	2.0	
2.2 Modernize Infrastructure	11.5	11.5	
<b>3. National Statistical System Institutional Reform, Project Management Capacity Building</b>	<b>3.575</b>	<b>3.575</b>	<b>100.0</b>
3.1 National Statistical System Institutional Reform	1.2	1.2	
3.2 Project Management	2.375	2.375	
<b>Total Costs</b>	<b>49.875</b>	<b>49.875</b>	<b>100.0</b>
Total Project Costs	49.875		
Front-End Fees (0.25%)	0.125		
<b>Total Financing Required</b>	<b>50.0</b>		

## IV. IMPLEMENTATION

### A. Institutional and Implementation Arrangements

52. The proposed implementation arrangement builds on the current IBRD practice in Gabon and is structured around two organizational levels. The DGS will oversee the overall technical implementation of the project's activities. The nontechnical implementation aspects of the project will be managed by the CN-TIPPEE, an experienced project implementation unit (PIU) responsible for implementation of all IBRD-financed projects in Gabon directed by a permanent secretary. The CN-TIPPEE will be responsible for nontechnical project implementation, including procurement, FM, M&E, and safeguards support. A dedicated project management team headed by a deputy coordinator will be recruited and wholly funded by the project, and will report to the permanent secretary of the CN-TIPPEE. This architecture follows the current practice in IBRD project management arrangements in Gabon and will facilitate both effective implementation and capacity building.

53. The CN-TIPPEE is a national entity, placed under the Ministry of Economy, which is currently implementing almost all the projects funded by the World Bank in Gabon and has so far demonstrated strong commitment and professionalism with a strong experience in handling World

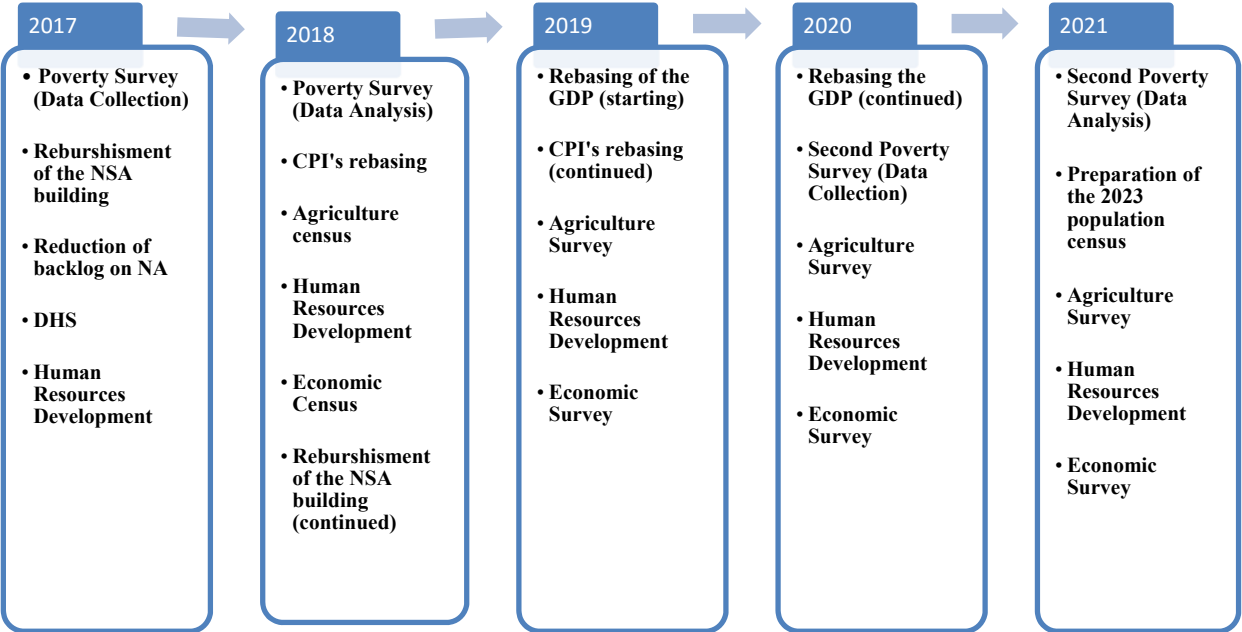
Bank procedures. This arrangement will mitigate fiduciary risks and the anticipated capacity constraints that will arise during the institutional reform process to establish the NSA. This will leverage the existing CN-TIPPEE structure and track record to build capacity in the NSA while simultaneously ensuring smooth implementation of the project. The technical management of the project will transition from the DGS to the NSA, when the latter is established and becomes operational. The CN-TIPPEE will continue to implement all nontechnical aspects of the project, but will also provide technical assistance to build capacity in procurement, FM, M&E, communications, and safeguards once the NSA is operational and its administration and finance departments are staffed.

54. Under the chairing of the minister in charge of statistics or its representative, a Steering Committee will be set up to oversee the overall implementation of the project. The Committee will oversee, promote, support, monitor, and evaluate the implementation of the project. It will also be responsible for reviewing and validating the main managerial tasks of this operation, especially the planning, budgeting, monitoring, and reporting of the activities. Beside the Statistics Office, the committee will comprise representatives from all the other direct beneficiaries, especially the ministries of agriculture and of health. The General Directorate of Economy and Fiscal Policy and the CN-TIPPEE will also be part of the Committee. The minister in charge of statistics will have the discretion to appoint additional members to the Steering Committee.

**B. Results Monitoring and Evaluation**

55. The DGS will designate one of its departments to be in charge of data collection to produce the project indicators at the frequency outlined in the project results framework (see annex 1), as well as monitoring the main project activities outlined in figure 1. The results framework has been designed to capture key activities, outputs, and outcomes of the project.

**Figure 1. Chronogram of the Main Activities of the Project**





## C. Sustainability

56. Project sustainability revolves around the ability to continue training, attracting, and motivating staff and the ability to continue to carry out certain data collection activities. To that end, the first avenue for sustainability is the increase in government resources for the NSS. In this respect, experiences in other countries show that when the statistical office shows improved performance an increase in government funding follows. The Government has clearly sent signals on how important it considers statistics, through the reform it is engaged in. Thus, the delivery of needed statistics for decision making, expected from the project activities, could make the case for continued domestic financing of statistics and help maintain the Government's willingness to support the NSS.

57. Indeed, delivering data that are timely, of good quality, and of use to decision makers will stimulate the demand for statistics from the Government, development partners, civil society, and other stakeholders. In turn, the increasing demand for statistical information is expected to translate into sustained budgetary support from the Government.

58. In addition, the enhancement of staff skills and investment in capacity building at the NSA through in-situ trainings directly linked to statistical production will contribute to the technical sustainability of the project.

## V. KEY RISKS

### A. Overall Risk Rating and Explanation of Key Risks

59. **The overall risk is rated Moderate.** This rating is justified by the fact that there is only a single area of substantial risk identified: the institutional capacity for implementation and sustainability.

60. The institutional capacity to implement some of the projects' more technical components is challenging because the staff turnover in the NSS is high and there is a high dependence on external consultants to successfully generate statistical products that involve analytically complex processes. While the DGS has recently demonstrated that it is able to successfully conduct large-scale data collection operations such as the 2013 population census and the 2012 DHS, the scarcity of analytically skilled applied statisticians who are able to convert raw data into statistical indicators and reports is a concern. For this reason, the project design places high emphasis on training programs and especially hands-on learning and technical assistance by working alongside qualified external statistical experts and consultants. This will help mitigate any endogenous risk related to lack of capacity.

61. Sustainability of the project's activities is also a source of concern because past support from the Government to finance the DGS and sectoral ministries to carry out statistical activities has been inadequate (between 2011 and 2015, only 30 percent of the budget needed to implement the NSDS was allocated). To mitigate this risk, the project places high emphasis on filling priority data gaps and timely dissemination of statistics demanded by policy makers and the public. This can help demonstrate the role and importance of statistics, as vital for good governance and management of public affairs.

62. Fiduciary risks are rated Moderate given the project implementation arrangements and the CN-TIPPEE's implementation track record. Likewise, environmental and social risks are low. The one risk factor to mitigate pertains to staff exposure to potentially dangerous substances or construction materials during the internal renovation of the building. To mitigate this risk, staff will need to temporarily work from other office spaces and/or renovations need to be conducted in a staggered fashion (for example, one floor at a time). Stakeholder risk is low.

## **VI. APPRAISAL SUMMARY**

### **A. Economic and Financial Analysis**

63. The economic analysis for this project considers the counterfactual without a World Bank-funded statistical project. Indeed, while the Government's demand for improved statistical capacity and filling data gaps is clear, without this project the capacity of the country's NSS would remain limited and major data gaps, in particular with respect to poverty, shared prosperity, employment, and agricultural data, would take considerably more time to fill. In the unlikely case that the country would manage to implement these surveys without World Bank support, data quality may be low, particularly in the case of welfare and agricultural surveys. Without this project, the NA statistics will not be improved swiftly and key data gaps will not be closed. In addition, capacity within the NSA would remain limited with large dependence on the expertise of hired external consultants.

64. As a result, without access to better statistics, the Government and other decisions makers would continue to be limited in having better idea before making decisions. In contrast, the project activities would help them have better economic and social analysis which in turn would lead to more efficient and effective decisions.

65. On the other side of the scale, the combination of financing and capacity building makes this proposed project a cost-effective solution to address the Government's demand for better statistics. For instance, surveys will be undertaken more cost-effectively because capacity within the NSS will be strengthened through technical assistance that is provided to innovate and adopt more efficient and cost-effective methods and techniques (for example, CAPI-based data collection in surveys). In addition, the World Bank will use its international experience in its supervision of the project to ensure that costs are minimized to achieve the project's results, while ensuring good quality.

66. Furthermore, the NA will be produced and published in time, will cover a larger part of the economy, and will be disseminated quarterly. The planned household budget and agricultural surveys will close major data gaps and capacity will be strengthened in the process. These activities will lead to better informed assessment of the socioeconomic situation in the country, will provide effective M&E of past development policies, will open space to improve these policies based on evidence, and will reduce, through the internal capacity built, the dependence of the NSS on technical assistance from external consultants.

67. Provision of data and official statistics are a public good and a service to be provided by the Government. The private sector would take the lead in financing this project if it could directly benefit from implementation of the project and recover the funds invested—for example, sell or

license access to the data collected. However, given the public good nature of statistics, the funds invested cannot be recovered. Further, users of the output of this project include not only the private sector, but also the civil society, development partners, the Government, and the community at large. The project will benefit economic agents that are not directly related to its implementation. Therefore, the public sector, an entity that has the mandate to satisfy the needs of society and to improve its living standard, is the agent indicated to finance implementation of this project.

## **B. Financial Management**

68. The financial arrangements of the project have been reviewed to determine that they are acceptable to the World Bank. The project will be implemented by the CN-TIPPEE which will have overall responsibility for all fiduciary aspects pertaining to the implementation of the project, including procurement, FM, M&E, and safeguards. The financial capacity of the CN-TIPPEE is found acceptable to the World Bank because it has successfully managed Phase I of the Gabon Infrastructure and Local Development Program, is currently adequately managing two World Bank-financed projects (Central African Backbone Project [P122776] and the second phase of the Local Infrastructure Development Project [P082812]), and is endowed with the appropriate fiduciary platform (staff, accounting system, manual of procedures, and external audit arrangements).

69. Over the last 18 months, the FM performance of the CN-TIPPEE is rated Satisfactory.<sup>2</sup> There are no overdue audit reports. The FM staff comprises a financial officer, an accountant (recently replaced), and a clerk accountant. The conclusion is that the overall arrangements for this project are considered adequate to meet the World Bank's fiduciary requirements under OP/BP 10.00 to provide, with reasonable assurance, accurate and timely information on the status of the execution of the project. The detailed FM arrangements are described in annex 3.

70. **The overall FM residual risk is considered Moderate.** To strengthen the internal control environment and ensure adequate implementation of the project, the assessment recommended among other measures: (a) the adoption of a project implementation manual comprising administrative, financial, and accounting procedures; (b) the recruitment of a dedicated accountant to support the current FM team whose burden will increase, thereby putting at risk its ability to adequately manage the accounting and reporting needs of the project; (c) the customization of the accounting software installed under its multi projects version to fulfill the accounting and reporting needs of the project; and (d) the recruitment of an external auditor under terms of reference acceptable to the World Bank or amending the terms of reference of the external auditor of one of the existing projects.

71. In May 2016, the Minister of Finance sent a letter asking the World Bank to allow the projects to finance the operational cost of the CN-TIPPEE. Based on the preliminary conclusion of the study undertaken in that regard, the project will finance part of said operational cost jointly with other projects managed by the CN-TIPPEE.

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<sup>2</sup> That is, because ISR Sequence 6 was archived on June 17, 2014. The last supervision carried out in October 2015 rated the FM performance as Satisfactory.

### **C. Procurement**

72. **Procurement assessment.** A procurement assessment has been carried out during project preparation and has concluded that the CN-TIPPEE (the PIU) has adequate experience and capacity to carry out procurement activities related to this project. The CN-TIPPEE is familiar with World Bank procurement procedures because it has successfully managed Phase I of the Gabon Infrastructure and Local Development Program and is currently managing at least two World Bank-financed projects (Central African Backbone and Local Infrastructure Development Project).

73. A brief summary of the procurement capacity assessment and project procurement arrangements, including a mitigation action plan, are provided in annex 3.

74. The procurement risk is considered Substantial. Risk mitigation measures have been discussed with the CN-TIPPEE and agreed upon. The satisfactory implementation of these mitigation measures will reduce the procurement risk to Moderate.

75. **Procurement Plan.** A draft Procurement Plan for the first 18 months of project implementation has been prepared and discussed with the Government. Through the course of project implementation, the Procurement Plan will be updated (at least annually) subject to the approval of the project team, to reflect implementation needs and improvements in institutional capacity. The Procurement Plan will be available in the project's database and a summary will be disclosed on the World Bank's external website following project approval.

### **D. Social (including Safeguards)**

76. The project's activities are essentially on data collection and analysis. Social safeguards risks are therefore very low.

### **E. Environment (including Safeguards)**

77. The project has triggered safeguard policy OP 4.01 Environmental Assessment. The environmental screening category is B. Under Subcomponent 2.2, the project proposes to finance the renovation and refurbishment of the dilapidated building used by the DGS, which the Government has officially allocated as the building that will serve as the headquarters of the new Statistical Agency. These activities, which will be site specific, are likely to have small environmental impacts on human population (noise, safety risk, waste matters, and dust). To protect people's health from environmental risks and pollution, the project will prepare an Environmental and Social Management Plan before commencement of bidding for works, which outlines measures that should be taken to avoid disturbing employees of the DGS during work hours and to ensure basic hygiene and workers' health; and safety rules to be observed during the rehabilitation. The contract to execute the work will include such measures as legal bonds for the chosen firm.

### **F. World Bank Grievance Redress**

78. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress

mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## Annex 1: Results Framework and Monitoring

**Country: Gabon**

**Project Name: Statistical Development Project (P157473)**

### Results Framework

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#### Project Development Objectives

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##### PDO Statement

The proposed development objective of this project is to strengthen the statistical capacity of the Borrower, fill key data gaps, improve statistical production, and enhance statistical dissemination practices.

**These results are at** | Project Level

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#### Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values					
		2017	2018	2019	2020	2021	End Target
Increase in Gabon's Statistical Capacity Index score (number)	36.70	36.7	45	50	60	65	65
Number of welfare, agriculture, economic and business surveys and censuses conducted (number)	2	2	4	7	9	10	10
Improved national accounts and price statistics (percentage)	0.00	0	30	50	80	100	100
Number of survey and census microdata files freely available online (number)	0	0	3	5	7	8	8

#### Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values					
		2017	2018	2019	2020	2021	End Target

Number of staff at the Statistics Office with improved skills (number)	0.00	20	40	60	70	80	80.00
<i>Of which number of women (number)</i>	0.00	4	8	12	14	16	16
Data collection of the next welfare survey is completed (yes/no)	No	No	Yes	Yes	Yes	Yes	Yes
Data collection of the next DHS is completed (yes/no)	No	No	Yes	Yes	Yes	Yes	Yes
Base year of the CPI is updated (yes/no)	No	No	No	Yes	Yes	Yes	Yes
Increase in the number of qualified technical staff working on national accounts at the Statistics Office (number)	2	6	6	8	8	8	8

#### Indicator Description

Indicator Name	Description (indicator definition and so on)	Frequency	Data Source/Methodology	Responsibility for Data Collection
Increase in Gabon's Statistical Capacity Index score	The World Bank's SCI is a composite score assessing the capacity of a country's statistical system. It is based on a diagnostic framework assessing the following areas: methodology; data sources; and periodicity and timeliness. Countries are scored against 25 criteria in these areas, using publicly available information and/or country input. The overall SCI score is then being calculated as simple average of all three area scores on a scale of 0 to 100.	Annual	World Bank website: <a href="http://datatopics.worldbank.org/statisticalcapacity/SCIdashboard.aspx">http://datatopics.worldbank.org/statisticalcapacity/SCIdashboard.aspx</a>	World Bank
Number of welfare, agriculture, economic and business surveys and censuses conducted	Cumulative number of welfare, agriculture, economic, and business surveys and censuses conducted with the project's support	Annual	Report of the surveys and censuses funded	DGS

Improved national accounts and price statistics	Measured by improvement of NA timeliness so that by end of year N the provisional accounts of year N-1 are made available (30%); updated CPI year base (20%); updated year base of the GDP (30%); and use of the 2008 SNA (20%)	Annual	DGS	DGS
Number of survey and census microdata files freely available online	Number of survey and census microdata files made available on the DGS's website and accessible to users	Annual	DGS's website	DGS

### Intermediate Results Indicators

Indicator Name	Description (indicator definition and so on)	Frequency	Data Source/Methodology	Responsibility for Data Collection
Base year of the CPI is updated	The base year of the CPI is changed to a more recent period than the current base year which is 2003	Annual	DGS CPI publication	DGS
Data collection of the next welfare survey is completed	Measured by the end of the data collection of the next welfare survey	Annual	DGS	DGS
Increase in the number of qualified technical staff working on national accounts at the Statistics Office	Number of qualified technical staff working at the NA unit of the Statistics Office (DGS or Statistics Agency)	Annual	DGS	DGS
Data collection of the next DHS is completed	Measured by the end of the data collection of the next welfare survey	Annual	DGS	DGS
Number of staff of the Statistics Office with improved skills	Cumulative number of staff from the Statistics Office that benefited from capacity-building trainings on statistics or related domains with the project's support	Annual	CN-TIPPEE	DGS



## **Annex 2: Detailed Project Description**

### **Gabon: Statistical Development Project**

1. The proposed project is structured into three components. They are (a) Improved Data Collection, Statistical Production, and Dissemination; (b) Build Technical Capacity and Modernize Infrastructure; and (c) National Statistical System Institutional Reform and Project Management Capacity Building.

#### **Component 1: Improved Data Collection, Statistical Production, and Dissemination (US\$32.8 million equivalent)**

2. The first component will support improved data collection, statistical production, and dissemination. Because the ultimate objective of each NSS is to deliver reliable and timely statistics to the Government, citizens, businesses, international organizations, and other institutions for informed decisions, this output and outcome-oriented component is the first pillar of the proposed project. The overall aim of this component is to support the Gabonese NSS toward this goal. Specifically, it aims to fill critical data gaps, expand and improve statistical production, and enhance data accessibility and dissemination practices. In this respect, the three focus areas of this component are (a) National Accounts (NA) and Real Sector Statistics; (b) Welfare Monitoring Statistics; and (c) Agricultural Statistics. These areas of focus were selected by a policy-driven approach, including the most pressing demands in the government PSGE. These focus areas are also in line with the priorities expressed in the NSDS.

##### *Subcomponent 1.1: National Accounts (NA) and Real Sector Statistics (US\$8.5 million equivalent)*

3. In addition to the shortcomings in source data, the current capacity and staffing levels in the DGS unit responsible for the compilation of NA are insufficient. In this regard, the priority will be the capacity building of the staff and support on data collection and processing. The methodology of NA currently in use will be upgraded to ensure compliance with international standards and best practices. To ensure medium-term sustainability, the project will provide in-house technical assistance through a resident lead NA expert and three high-level statisticians to work alongside and build the skillset and capacity of the existing staff. The technical assistance on NA is intended to improve the production and timeliness of NA with the new data sources coming from the household surveys, the agriculture census, and the business census financed by the project. In particular the assistance will help to update the supply and use tables<sup>3</sup> and to re-base GDP to take into account the new data sources. Finally, training will be provided to DGS staff to ensure sustainability of NA production.

4. The project will also fund the realization of a national economic census, to update the business register, quarterly business surveys as well as some specific related surveys needed. The realization of the business census with the support of the project will pave the way for production of more comprehensive business statistics to support the compilation of quality NA, particularly the carrying out of more comprehensive quarterly and annual enterprise surveys to collect data

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<sup>3</sup> The supply and use framework provides the most important macroeconomic aggregates such as GDP, value added, consumption, investment, imports, and exports.

from sampled enterprises in different sectors of the economy. The surveys will collect financial and non-financial information such as outputs, inputs, employment, production capacity utilization, finished product inventories, and so on to feed the production of the NA.

5. The overall objective of this subcomponent is to (a) eliminate the four-year backlog in producing NA estimates; (b) bring the production and dissemination cycle of NA statistics up to date; (c) develop capacity to produce quarterly NA estimates; (d) update the currently in use methodology of NA to ensure its compliance with international standards and best practices (an action plan and work toward compliance with the 2008 System of National Accounts' standards will be developed and implemented); (e) undertake a census of establishments and economic activities (f) rebase the NA using the new source data that will be made available through the support of the project, especially the planned household, agricultural, and business census and surveys (new source data from the last 2013 population and housing census will also be used in this process); and (g) develop a new macroeconomic projection model.

6. The project will also strengthen price statistics and aim to (a) update the CPI base year from 2003 to 2017 using EGEP II data and (b) enhance the monthly price data collection operations from 2018 onward by refining the list of products and services and expanding the geographical market coverage beyond Libreville to three additional cities—Franceville, Port-Gentil, and Oyem. A technical study will be financed to determine whether a potential shift to CAPIs to collect market price data would be feasible and cost effective. The base year's prices of the index are expected to be collected throughout 2018 and the production of the new index will start in 2019. The project further proposes to finance technical assistance by CPI experts as well as data collection costs, including equipment and software.

7. The project will also provide support to regularly produce and disseminate macroeconomic statistics and leading indicators to enable timely monitoring of the economy. The production of regular flagship annual statistical publications will also be supported (for example, the statistical yearbook and annual wage rate statements). Finally, technical assistance will be supported to design a data collection approach that is able to cost-effectively produce regular labor force indicators to complete the suite of statistics required to monitor the real sector of the economy.

#### *Subcomponent 1.2: Welfare Monitoring Statistics (US\$13.5 million equivalent)*

8. The project will finance data collection for two household income, expenditure, and living standards surveys—EGEP II and III—to be conducted in 2017 and 2020, respectively. The 2017 survey will also contain a module on the informal sector and both surveys will include a module on employment. The core methodology of the surveys related to household consumption data collection will be based on current best practices and follow the World Bank-endorsed approach adopted by the WAEMU countries. These surveys will be conducted using a CAPI methodology. In accordance with the General Data Dissemination Standard guidelines, publically and freely available reports with poverty numbers will be published within 9–12 months following the end of data collection.

9. The technical assistance needed to design and develop the questionnaire and the tablet software to implement the 2017 survey has been provided through the abovementioned RAS. Support from the project will not only take over the RAS with regard to the remaining technical

assistance needed for that survey but will go beyond and covers the costs of (a) the pilot survey; (b) the field activities, including data collection equipment (mainly vehicles and tablets), enumerators, controllers, supervisors, and trainings; and (c) data processing and analysis.

10. With respect to the pilot survey, the WAEMU project framework guided the preparation of the questionnaire and sample design, but adjustments have been made to capture specific information that are important for policy making in Gabon, like the adding of a specific module on urban employment and the informal sector. This framework, which is based on the Living Standard Measurement Survey, has made many improvements in the methodology of collecting data on household consumption. These improvements include: (a) the development of specific modules for a more accurate measurement of food consumption, including own-produced food and meals taken outside, (b) a complementary survey in markets to address the issue of local units, and (c) the individualization of health and education expenditure. Consumption data are expected to be captured based on a seven-day recall. The questionnaire will also collect data on key gender characteristics, including education, health, and access to basic services and assets. Moreover, the questionnaire includes a specific module on agriculture, to improve the understanding of the livelihood of the poor living in rural areas. The pilot survey is meant to help test the questionnaire and also the whole survey methodology, including the new CAPI data capture methodology. In particular, the pilot survey will help to make decisions on the best way to ensure continuous recharge power for the tablets to be used during the survey. Indeed during this exercise, both solar panels and generators will be used to test their practicality. In this respect, the project will finance the training of a small number of enumerators; limited number of equipment (tablets, GPS devices, solar panels, generators); and the transport and payment of the teams for the field work and data processing. The pilot-survey enumerators will be from the DGS and are expected to be the controllers of the general survey.

11. As for the survey data collection, the project financing will include the preparation of the training materials and documents for the trainers and interviewers, support the training of trainers and enumerators, the preparation of the fieldwork calendar and the quality control during the fieldwork, and the collection of data on households' consumption, living conditions, and sociodemographic characteristics. In addition, the survey will collect data on nonstandard units to address the problem that affects the accuracy of the estimation of basic-needs poverty lines. Since the survey will be implemented using CAPI, the DGS will receive support from the World Bank Living Standard Measurement Survey team.

12. Regarding data processing, the project support comprises three sets of activities. First, support the DGS in the preparation of a standard approach for data cleaning and quality assurance and the production of a fully documented and replicable procedure for data verification, error checking and correction, and so on. Second, assist DGS in the poverty (among other key statistics) estimation methodology, including the estimation of consumption aggregates, price indicators, poverty line, and so on. A special focus will be devoted to addressing comparability issues that may arise from the changes in the survey design. Third, assist DGS in the analysis of survey data, preparation of the survey report, and dissemination of survey results and microdata. The support will also include the realization of poverty analysis workshops and help produce and peer review the reports. A special attention will be devoted to producing gender-specific statistics.

13. The project’s funding has already been made available for all these costs through the Project Preparation Advance of US\$3.75 million granted to the Government.

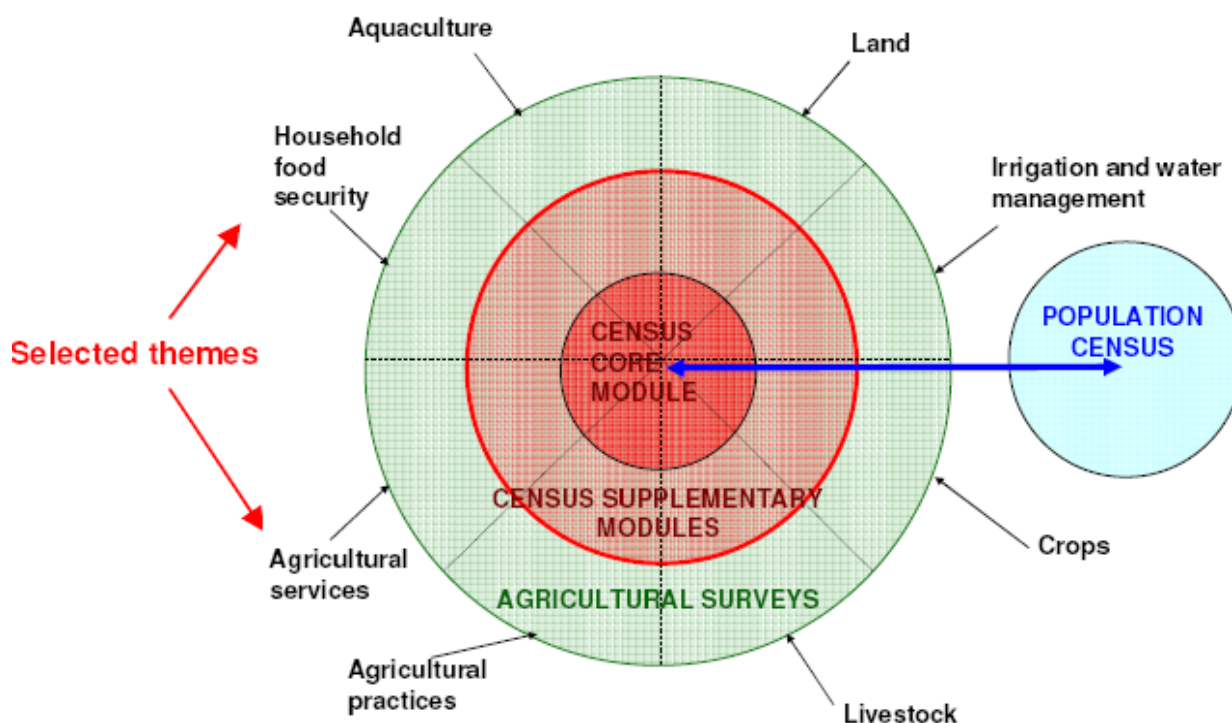
14. In contrast, the cost of the 2020 survey will be fully funded by the project, including technical assistance if needed. The 2020 survey will follow the same methodology adopted for the 2017 survey, to start implanting a system of poverty household surveys, comparable and of good quality.

15. The project will also provide additional technical assistance to produce a thematic socioeconomic atlas for Gabon based on the 2013 population census. Funding will also be made available to generate a small-area poverty map using the 2017 EGEP II. Furthermore, technical assistance will be provided to prepare the technical documentation of the next 2023 population census. Finally, to provide updated data to monitor welfare statistics from a demographic and health perspective and provide important gender indicators, the project will finance implementation of a DHS in 2017, including the contract with Inner City Fund - Macro to support and supervise the survey, as was the case in 2012 when Gabon conducted a similar survey.

*Subcomponent 1.3: Agricultural Statistics (US\$8.8 million equivalent)*

16. To fill data gaps and enable the production of agriculture statistics, the project will support two main data collection activities: (a) an agriculture census in 2018 and (b) at least three annual agricultural production surveys to be conducted by the Ministry of Agriculture with the support of the NSA and technical assistance from the FAO. The census will be conducted in accordance with the modular approach recommended by the FAO and presented in figure 2.1.

**Figure 2.1 : Agriculture census modules.**



17. This approach recommends carrying out censuses of agriculture by using a modular approach, with a core census module based on complete enumeration or a large sample to provide key data, and one or more census supplementary modules to cover more in-depth topics. Typical structural data collected through the core module are characteristic of households, such as size of holding, land tenure, land use, crop area harvested, irrigation, livestock numbers, labor, and other agricultural inputs.

18. The units of data collected will be the agriculture holdings, meaning all land or plots of land devoted wholly or partly to agricultural and/or livestock production under the direction of a producer, regardless of size, status, or land tenure. The census will cover both crops and animal species. Data will be mainly collected directly from households. However, other information will also be collected from communities such as on geography, roads, electricity, health facilities, and schools, presence of agricultural produce markets and agricultural input suppliers, economic activities in the community, existence of farmers' organizations, potentiality, and constraints.

19. Subsamples from the agriculture census are then used to carry out agricultural production surveys in the years following the census. During these surveys, many supplementary modules are covered for an in-depth analysis on, for instance, production and productivity.

20. However, because agriculture is essentially practiced in rural areas, the census will principally cover this area, which represents 14 percent of the population in Gabon. However, the 2013 population census data will be analyzed to determine whether some urban areas are to be included. The census will be based on a complete screening of the concerned area, which will lead to a sample frame for the agriculture surveys. The reference master frame of the agriculture census will be the enumeration areas of the 2013 population census and the census will cover both crops and animal species.

21. In the three years after the agriculture census, a sample from the agriculture census will be used to carry out annual agricultural production surveys. During the surveys, many supplementary modules will be covered for an in-depth analysis of selected issues, including drivers of agricultural productivity.

22. The project will finance the hiring of a seasoned agriculture statistics specialist to support the Ministry of Agriculture with the design, implementation, and analysis of the census and the surveys. Publically and freely available reports detailing the findings from each survey will be produced and published within 9–12 months following the end of data collection.

#### *Subcomponent 1.4: Improve Data Access and Dissemination (US\$2 million equivalent)*

23. Filling critical data gaps is not just about enabling the measurement of gender disparities or changes in poverty or in employment levels. When these data and statistics are disseminated freely and widely, they do not just inform policy makers. Open data and timely statistics will also inform development partners, the private sector, and the Gabonese public in general. That in turn unleashes the potential to inspire and catalyze broad-based efforts to reduce poverty, create jobs, and foster gender equality.

24. The objective of this subcomponent is to improve data access and dissemination by financing (a) the redesign of NSS agency and line ministry department websites in line with open

data principles; (b) the formulation and adoption of data dissemination and microdata access policies; and (c) technical assistance and training to roll out the ‘Accelerated Data Program’ initiative and provide free online access to anonymized census and household survey microdata. In addition, the project proposes to finance the establishment of a small-scale printing and publishing unit at the new NSA to enhance the dissemination capacity of the NSS. The cost of producing quarterly and annual statistical bulletins by the NSA will also be funded through this subcomponent.

## **Component 2: Build Technical Capacity and Modernize Infrastructure (US\$13.5 million equivalent)**

25. The staff’s technical capacity, the working environment, and the availability of adequate equipment are important pillars of statistical capacity. They are important factors in the productivity of each NSS institution. In this regard, the aim of this component is to strengthen the overall technical capacity and skills of staff and modernize the infrastructure, especially at the new NSA. To that end, the project intends to support human resources development, and finance the renovation and refurbishment of the building that will host the headquarters of the new NSA to be created.

### *Subcomponent 2.1: Build Technical Capacity (US\$2 million equivalent)*

26. Through this component, the project will invest in (a) implementing a training and skill enhancement program for existing staff; and (b) providing scholarships (tuitions and stipends) to Gabonese candidates who successfully pass the competitive entrance examination to study abroad in the regional statistical schools degree-granting institutions that are supported by international quality assurance standards. The overall objective of this subcomponent is to increase the proportion of the National Statistics Office professional staff with formal degrees or on-the-job training in areas related to statistics, demography, economics, and IT (particularly programming). The training program for existing staff will be conducted primarily in-house, will be designed by experts to fit precise needs, and will focus on specific statistical skills that are linked directly to data collection or statistical production activities, with the aim of permanently improving the quality of the statistical products.

### *Subcomponent 2.2: Modernize Infrastructure (US\$11.5 million equivalent)*

27. The project will finance the renovation and refurbishment of the building used by the DGS, which the Government has officially allocated as the building that will serve as the headquarters of the new NSA. The activities to be financed include work to undertake interior renovations of the building, procurement of office furniture, and enhancement of the electrical and IT systems. Equipment for data collection (vehicles), for data processing, analysis, and storage (servers, computers, and laptops) as well as for data dissemination (web servers, printing, and scanning equipment) are also needed to enable data collection, production, and dissemination activities.

28. The project will also finance the establishment of a modern and functional data center to facilitate the implementation of the ongoing modernization of data collection processes by the use of new technologies. The data center will particularly ensure management of the IT system, data dissemination, and archiving, and tablet-based data collection processes.

### **Component 3: National Statistical System Institutional Reform and Project Management Capacity Building (US\$3.575 million equivalent)**

29. The statistical governance, comprising the regulatory framework governing the system and the structure and management of the NSS, is an important component of statistical capacity because of its impact on the effectiveness of the system. On the other hand, having overall good quality project management is crucial for achieving the current PDO. Therefore, the aim of this component is to support implementation of the ongoing statistical institutional reform and ensure that there is adequate capacity for project management.

#### *Subcomponent 3.1: National Statistical System Institutional Reform (US\$1.2 million equivalent)*

30. The aim of this subcomponent is to support implementation of the ongoing NSS institutional reform in accordance with the 2014 Statistics Act, to particularly ensure that the new NSA and the new statistical coordination council are efficiently operational. Through a previous RAS, technical assistance has been provided to prepare all the regulations required to have the two bodies start their activities. The Government is expected to adopt the prepared regulations in early 2017.

31. In this respect, this project will not only take over all the technical assistance intended to be provided by the RAS but will also focus on the development of annual business plans of the NSA, the development and implementation of an effective human resources management system, and strengthening the NCSI. In this regard, this subcomponent will support (a) the design of the next NSDS and finance technical assistance to develop, implement, and monitor the agency's annual business plans; (b) the recruitment of a senior statistics advisor; (c) the financing of technical assistance to develop a results-based management system; and (d) statistical coordination activities through the NCSI.

32. Because the main objective of the NSDS is to draw an action plan on what will be done during the next four to five years to ensure that better statistics are made available to meet the priority needs of national and international decision makers as well as those of civil society, the NSDS will in turn offer the opportunity to the NSA to develop its annual business plans accordingly. The programming exercise will help the NSA establish a new standard of corporate performance and the process is expected to be executed with the full involvement of all services to ensure the support of all and develop a sense of responsibility and commitment from all the agency's entities. Furthermore, this annual activity programming exercise must ensure that for each product, the costs are assessed and the planning period of issuance of each product is indicated.

33. The senior statistics advisor will be based at the Statistics Office and provide guidance to the DG and senior management team to support implementation of the institutional reforms and change process of the NSS. The objective of developing a results-based management system is to establish a staff evaluation and monitoring approach that provides incentives and career development opportunities to well-performing staff.

*Subcomponent 3.2: Project Management (US\$2.375 million equivalent)*

34. This subcomponent will finance the CN-TIPPEE to manage all nontechnical aspects of the project activities, including procurement, FM, M&E, and safeguards support. Some of the CN-TIPPEE operational costs will be shared with the other World Bank-funded projects managed by the CN-TIPPEE, but a dedicated project team within the CN-TIPPEE will be recruited and wholly funded by the project and will report to the permanent secretary. The CN-TIPPEE's project management team will also build capacity of the NSA's administrative and project management staff.

35. Funding will also be made available to the Statistics Office to organize user satisfaction surveys, aimed at strengthening dialogue with the users of statistics and assessing the impact of the project activities.



## **Annex 3: Implementation Arrangements**

### **Gabon: Statistical Development Project**

#### **Project Institutional and Implementation Arrangements**

1. The proposed implementation arrangement builds on the current IBRD practice in Gabon and is structured around two organizational levels. The DGS will oversee the overall technical management and delivery of the project. The nontechnical implementation aspects of the project will be managed by the CN-TIPPEE, an experienced PIU responsible for implementation of all IBRD-financed projects in Gabon and is directed by a permanent secretary. Reporting to the DG of the DGS for overall guidance, direction, and coordination, the CN-TIPPEE will be responsible for nontechnical project implementation, including procurement, FM, M&E, and safeguards support. A dedicated project management team headed by a deputy coordinator will be recruited and wholly funded by the project, and will report to the permanent secretary and the DG of the DGS. This architecture follows the current practice in IBRD project management arrangements in Gabon and will facilitate both effective implementation and capacity building.

2. The CN-TIPPEE is a national entity placed under the Ministry of Economy, which is currently implementing almost all the projects funded by the World Bank in Gabon and has so far demonstrated strong commitment and professionalism with strong experience in handling World Bank procedures. This arrangement will mitigate fiduciary risks and the anticipated capacity constraints that will arise during the institutional reform process to establish the NSA. This will leverage the existing CN-TIPPEE structure and track record to build capacity in the NSA while simultaneously ensuring smooth implementation of the project. The technical management of the project will transition from the DGS to the NSA, when the latter is established and becomes operational. The CN-TIPPEE will continue to implement all nontechnical aspects of the project, but will also provide technical assistance to build capacity in procurement, FM, M&E, communications, and safeguards once the NSA is operational and its administration and finance departments are staffed.

#### *Project Administration Mechanisms*

3. Under the chairing of the minister in charge of statistics or its representative, a Steering Committee will be set up to oversee the overall implementation of the project. The committee will oversee, promote, support, monitor, and evaluate the implementation of the project. It will also be responsible for reviewing and validating the main managerial tasks of this operation, especially the planning, budgeting, monitoring, and reporting of the activities. Beside the Statistics Office, the committee will comprise representatives from all the other direct beneficiaries, especially the ministries of agriculture and of health. The General Directorate of Economy and Fiscal Policy and the CN-TIPPEE will also be part of the committee. The minister in charge of statistics will have the discretion to appoint additional members to the Steering Committee.

## Financial Management, Disbursements, and Procurement

### Financial Management

#### *Country Issues*

4. Gabon has embarked upon a series of major reforms and initiatives, including the adoption of a new organic budget law in 2015<sup>4</sup> and a new procurement code in April 2012,<sup>5</sup> the ongoing development of a budget management system (Vectis), the outsourcing of the public investments program to a National Agency for Large-Scale Works and Infrastructures, and the creation of Finance and Administrative Directorates (*Directions Centrales des Affaires Financières*) in line ministries with the view to ease the transition to a program-based budgeting approach as well as devolution of budget authority.

5. Against this background, critical challenges in Public Finance Management (PFM) remain as highlighted in the World Bank Public Expenditure Review, 2012. These challenges relate to (a) the misalignment between public spending and development goals; (b) the lack of a comprehensive public investment management system to manage the current tripling of the investment budget; (c) the low capital budget execution on priority sectors; (d) the poor value-for-money in public spending; and (e) the insufficiencies in the financial report arrangements.<sup>6</sup> The underlying causes include among others, outdated procurement bidding documents, lack of transparency in the procurement process, lack and/or delay in preparing the planning and budget execution tools (for example, procurement/commitment/disbursement plans), lack of a manual of procedures guiding the elaboration of the financial reports and, more generally, inadequate PFM capacities at the sector level.

6. To improve its economic performance, the Government has requested technical assistance from the World Bank in a number of areas, including PFM. To this end, a first RAS amounting to US\$2 million was signed and disbursed in November 2011. The PFM activities under this first RAS (P130564) focusing on the improvement of the budget preparation were duly completed and received recognition from the client and World Bank. They specifically related to (a) the timely elaboration for the 2013 annual budget, of procurement, commitment, and disbursement plans in six key line ministries; (b) the development of a manual of procedures for the elaboration of the administrative accounts; and (c) the piloting of the performance audit in the health sector with the aim to assess the value-for money of the underlined spending. A second PFM RAS is being implemented to scale up the impact of the activities completed under this first RAS.

7. The overall improvement in PFM areas will aim at paving the way for gradual use of the national PFM system for World Bank-financed projects in Gabon.

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<sup>4</sup> This is being readapted to comply with Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire des États de l'Afrique Centrale*) PFM Directives adopted in December 2011.

<sup>5</sup> This includes, among others, the creation of a Procurement Regulatory Agency and decentralization of the Directorate of Public Procurement in line ministries.

<sup>6</sup> Since 2009, the Court of Account is issuing a qualification on the annual financial reports as a result of comprehensiveness in the administrative accounts produced by the Ministry of Budget.

**Table 3.1. Risk Assessment and Mitigation**

<b>Risk</b>	<b>Risk Rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after Mitigation Measures</b>	<b>Remarks</b>
<b>Country level</b> Weak capacity in PFM	H	RAS is ongoing with the aim to improve budget execution with the World Bank's support. This would lead to a gradual use of the PFM system in support to the implementation of World Bank-financed projects	H	
<b>Entity level</b> The CN-TIPPEE that is implementing several projects might be overwhelmed with the new operation causing delay in project implementation  The CN-TIPPEE's operational costs might not be financed because of the Government's current limited financial capacity to do so, thus hampering its capacity to undertake its coordination responsibility	S	Reinforce the CN-TIPPEE team by recruiting key dedicated staff  A request from the Government to the World Bank is being analyzed to determine whether the operational costs could be covered by the projects funds	S	
<b>Project level</b> No critical FM risk has been identified	M		M	
<b>Inherent Risk</b>	<b>M</b>		<b>M</b>	
<b>Budgeting</b> Delay in the budget preparation because the CN-TIPPEE will be involved in the budget preparation for each of the projects they are implementing	M	Establish a clear time line for budget preparation and monitoring in the FM section of the project implementation manual and ensure early preparation,	M	Before effectiveness

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Risk after Mitigation Measures	Remarks
		start, and appropriate synchronization of the different processes		
<b>Accounting</b> The implementation of the project will be an additional burden for FM staff putting at risk their ability to produce quality work on time	S	A dedicated accountant will be recruited	M	During implementation
<b>Internal Controls and Internal Audit</b> The existing procedures manual is not fully appropriate for implementation of the project as it relates to projects with different specifications	S	A specific procedures manual will be elaborated. However, no significant changes are expected with regard to FM procedures	M	During implementation
<b>Funds Flow</b> The project funds might be comingled with other projects' funds as the CN-TIPPEE is managing several designated accounts (DAs).  The counterpart funds to finance the CN-TIPPEE's operational costs might not be provided when needed because of the current challenges that the Government is facing, thus putting at risks the appropriate coordination of project activities by the CN-TIPPEE	S	Open a segregated DA in a commercial bank acceptable to the World Bank  Analysis is ongoing to determine whether the projects can cover a part or the full amount of the operational costs. Involving the project to cover the financing gap will be considered.	M	Before disbursement  During implementation
<b>Financial Reporting</b> The CNTIPPEE's accounting software is not customized to produce the	S	Rely on existing CN-TIPPEE financial reporting arrangements and	M	During implementation

<b>Risk</b>	<b>Risk Rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after Mitigation Measures</b>	<b>Remarks</b>
project financial statement causing delay in the issuance of acceptable Interim Financial Reports (IFRs) that may be produced manually, thus increasing the risk of error and record manipulation		ensure appropriate customization of the multiprojects existing accounting software to fit the project's accounting and reporting needs		
<b>Auditing</b> No major risk has been identified in the existing external auditing arrangements	M	A new external auditor will be recruited but amending the terms of references of one of the existing external auditors might be considered	L	During implementation
<b>Control Risk</b>	<b>M</b>		<b>M</b>	
<b>Overall FM risk</b>	<b>M</b>		<b>M</b>	

Note: H = High; S = Substantial; M = Moderate; L = Low.

8. The overall residual risk rating is deemed Moderate.

*Strengths*

9. The CN-TIPPEE has an adequate track record in implementing World Bank-financed projects. The existing staff are well-versed with World Bank-financed projects and perform satisfactorily.

*Weakness*

10. The project will place additional burden on the CN-TIPPEE's FM team putting them at risk of not being able to perform their work on time and of good quality.

*Action Plan to Reinforce Fiduciary Arrangements*

**Table 3.2.** Action Plan for Fiduciary Arrangements

<b>Significant Weaknesses or Risks</b>	<b>Action</b>	<b>Responsible Body</b>	<b>Completion</b>
The internal control environment of the project is weakened by the lack of an appropriate procedures manual	Adoption of a project Operations Manual, comprising administrative, financial,	CN-TIPPEE	Before effectiveness

Significant Weaknesses or Risks	Action	Responsible Body	Completion
	and accounting procedures		
The increase in the FM burden puts at risk the current FM team's ability to adequately manage the accounting and reporting needs of the project	Recruitment of a dedicated accountant to support the current FM team	CN-TIPPEE	Not later than two months after effectiveness
Existing accounting software does not include this project	Customize the existing multiprojects version of the accounting software	CN-TIPPEE	Not later than two months after effectiveness
The scope of the current external audit arrangements does not include the proposed project	Amend the terms of references of an existing external auditor or recruit an external auditor for the project	CN-TIPPEE	Not later than five months after effectiveness

11. **Staffing.** The CN-TIPPEE staffing comprises one financial officer and one accountant with a track record in World Bank-financed projects. The FM staff will record transactions, monitor the compliance of transactions with fiduciary requirement, and prepare the withdrawal application and financial reports. To reinforce the FM unit, one additional accountant, dedicated to the project, will be recruited.

12. **Budgeting.** Reliance will be placed on the CN-TIPPEE budgeting arrangements. Annual work plans, to be approved by the project's committee chaired by the DG of the statistical office, will clearly detail the activities and will be translated into annual budgets. Budget execution will be monitored through the existing TOMPRO software and in accordance with the budgeting procedures specified in the project implementation manual, comprising administrative, financial, and accounting procedures. Any variances will be identified in the quarterly unaudited IFRs. Only budgeted expenditures will be committed and incurred, to ensure that resources are used within the agreed upon allocations and for the intended purposes.

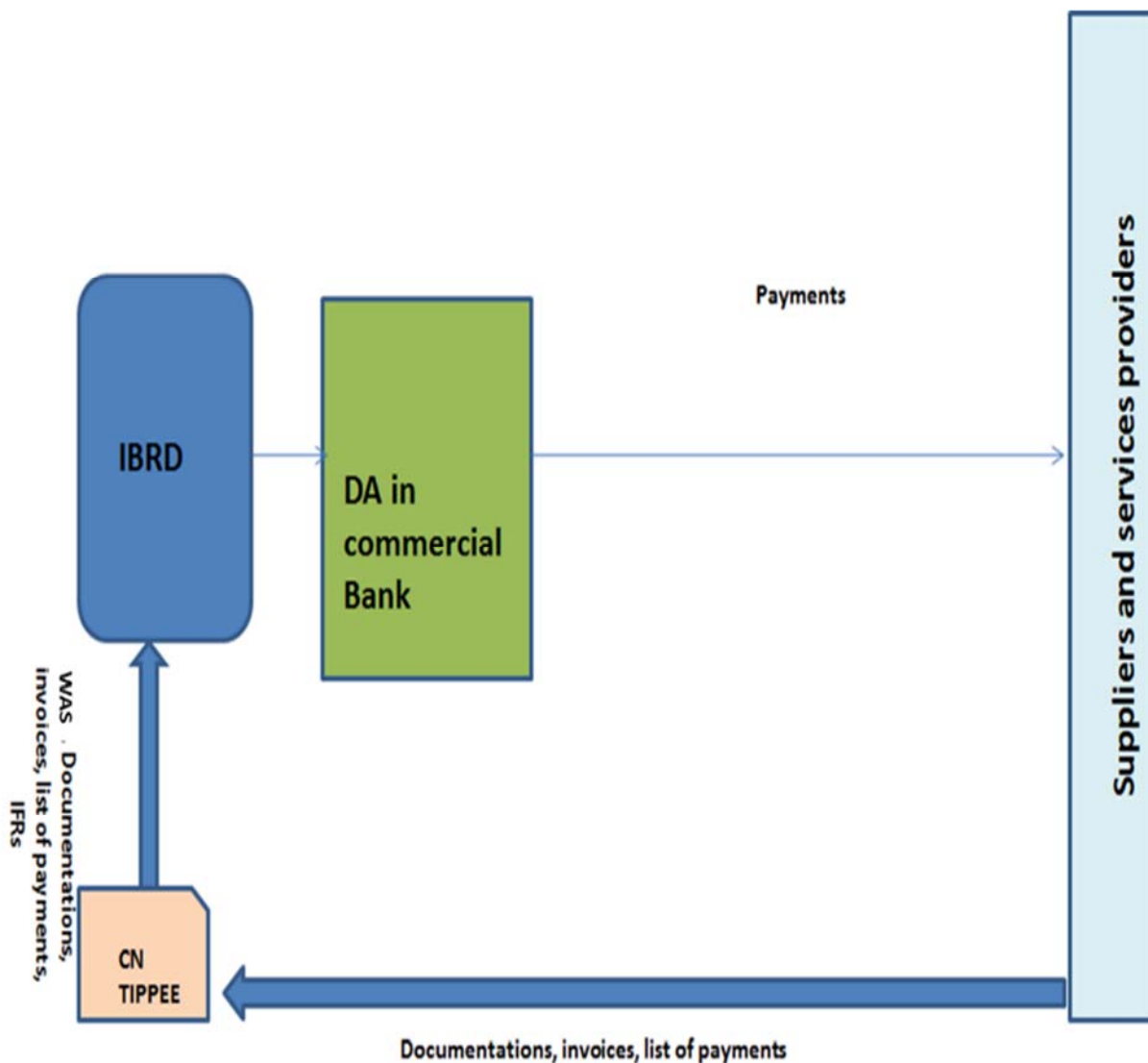
13. **Accounting policies and procedures.** The CN-TIPPEE's existing accounting system (accounting software multiproject and multisite) will be used to maintain the books and accounts of the project activities and ensure that the annual financial statements are produced on time and in accordance with the Organization for Harmonization of Business Law in Africa's (*Organisation pour l'Harmonisation du Droit des Affaires en Afrique*) accounting principles, which are in line with international accounting standards. The existing software will be customized to record the project's transactions and generate accurate financial reports on time.

14. **Internal control and internal auditing.** Internal control will build on the existing CN-TIPPEE arrangement, which comprises segregation of duties through four different units responsible for technical implementation, administration and finance, and M&E, as well as information and communication, respectively. A project implementation manual will be elaborated to consider the project specifics and roles and responsibilities of the different stakeholders.

15. **Funds flow and disbursement arrangements.** Disbursements under this project will be carried out in accordance with the provisions of the Disbursement Guidelines (World Bank Disbursement Guidelines for Projects, dated May 1, 2006), the disbursement letter, and the loan agreement. One DA in CFA francs will be opened in a commercial bank acceptable to the World Bank and managed by the joint signature of the FM specialist and of the CN-TIPPEE permanent secretary. The DA will receive an initial advance of up to a forecast for two quarters as provided in the IFR. The advance will be replenished regularly through quarterly withdrawal applications supported by quarterly IFRs to report on the use of the advance for eligible project expenditures. Direct payments will be made to service providers, if needed, according to the disbursement letter. All withdrawal applications will be signed by signatories appointed by the Government.

16. IFR-based disbursement procedures—whereby advances and reimbursements are used to report on the use of the loan proceeds—will be used, as the CN-TIPPEE has demonstrated satisfactory FM performance to date.

**Figure 3.1. Flow of Funds**



17. **Financial reporting and monitoring.** The CN-TIPPEE's existing reporting arrangements will be maintained and IFRs will be submitted to IBRD within 45 days after the end of each calendar quarter. The current content and format of the IFR will continue to be used. The IFR will comprise the sources and use of funds and the detailed expenditures by component. At the end of each fiscal year, the project will prepare annual financial statements.

18. **Auditing.** The annual financial statements prepared by the CN-TIPPEE as well as the internal control system applied will be audited annually. To this end, the existing external auditor's terms of reference have been amended to include this project. The auditor will provide one single opinion on the annual financial statements in compliance with the International Federation of Accountants Standards on Auditing. In addition to the audit reports, the external auditors will be expected to prepare a management letter giving observations, comments, and providing recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the loan agreement. The project will be required to produce the audited annual financial statements, no later than five months after the fiscal year.

19. **Implementation Support Plan.** FM implementation support will be consistent with a risk-based approach, and will involve a collaborative approach with the entire task team (including a procurement specialist). Shortly after project effectiveness, the first implementation support mission will be carried out. Afterwards, the missions will be scheduled using the risk-based approach and will include the following due diligence: (a) monitoring of the FM arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during implementation (Implementation Status and Results Report); (b) reviewing the IFRs; (c) reviewing the audit reports and management letters from the external auditors and following up on material accountability issues by engaging with the task team leader (TTL), client, and/or auditors; the quality of the audit also is to be monitored closely to ensure that it covers all relevant aspects and provides enough confidence on the appropriate use of funds by recipients; (d) physical supervision on the ground; and (e) assistance to build or maintain appropriate FM capacity.

20. **Conclusions of the FM assessment.** The overall FM risk is considered Moderate because the CN-TIPPEE is an existing and adequately performing PIU. The proposed FM arrangements for this project are considered adequate to meet the World Bank's minimum fiduciary requirements under OP/BP 10.00.

## **Procurement**

21. **Applicable guidelines.** Procurement for this project will be carried out in accordance with the World Bank 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011, revised July 2014; 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credit and Grants by World Bank Borrowers', dated January 2011, revised July 2014; and the provisions stipulated in the loan agreement. Procurement (works, goods, and non-consulting services) or consultant selection methods, prequalification, estimated costs, prior review requirements, and time frames are agreed in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation. The World Bank's Standard Bidding Documents (SBDs) or Gabon's National SBD satisfactory to the World



Bank will be used. To the extent practicable, the World Bank's SBD for works, goods, and non-consulting services and Standard Request for Proposals, as well as all standard evaluation forms, will be used throughout project implementation.

22. **Advertising.** The Borrower is required to prepare and submit to the World Bank a General Procurement Notice (GPN). The World Bank will arrange for its publication in United Nations Development Business (UNDB) online and on the World Bank's external website. The GPN shall contain information concerning the Borrower, amount and purpose of the credit, scope of procurement reflecting the Procurement Plan, and the name, telephone (or fax) number, and address of the Borrower's agency responsible for procurement, and the address of a widely used electronic portal with free national and international access or website where the subsequent Specific Procurement Notices will be posted. If known, the scheduled date for availability of prequalification or bidding documents should be indicated. The related prequalification or bidding documents, as the case may be, shall not be released to the public earlier than the date of publication of the GPN.

23. In the case of International Competitive Bidding (ICB) or Limited International Bidding, invitations to prequalify or to bid, as the case may be, shall be advertised as Specific Procurement Notices in at least one newspaper of national circulation in the Borrower's country, or in the official gazette, or on a widely used website or electronic portal with free national and international access, in English or French, or at the option of the Borrower, in a national language. Such invitations shall also be published in UNDB online. Notification shall be given with sufficient time to allow prospective bidders to obtain prequalification or bidding documents, prepare, and submit their responses. The World Bank will arrange the simultaneous publication of all Specific Procurement Notices prepared and submitted by the Borrowers on the World Bank's external website.

24. In the case of National Competitive Bidding (NCB), the complete text of advertisement shall be published in a national newspaper of wide circulation in the national language, or in the official gazette, provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. The Borrower may publish a shorter version of the advertisement text, including the minimum relevant information, in the national press provided that the full text is simultaneously published in the official gazette or on a widely used website or electronic portal with free national and international access. Notification shall be given to prospective bidders with sufficient time to allow them to obtain relevant documents.

25. To obtain expressions of interest, the Borrower shall include a list of expected consulting assignments in the GPN, and shall advertise a request for expressions of interest (REOI) for each contract for consulting firms in the national gazette, provided that it is of wide circulation, or in at least one newspaper, or technical or financial magazine, of national circulation in the Borrower's country, or in a widely used electronic portal with free national and international access in English or French. In addition, assignments expected to cost more than US\$300,000 shall be advertised in UNDB online. Borrowers may also, in such cases, advertise REOIs in an international newspaper or a technical or financial magazine. The information requested shall be the minimum required to make a judgment on the firm's suitability and not be so complex so as to discourage consultants from expressing interest. REOIs shall, at a minimum, include the following information applicable to the assignment: required qualifications and experience of the firm, but not individual experts'

biodata; short listing criteria; and conflict of interest provisions. No less than 14 days from the date of posting on UNDB online shall be provided for responses, before preparation of the short list. The late submission of a response to an REOI shall not be a cause for its rejection unless the Borrower has already prepared a short list, based on received expressions of interest that meet the relevant qualifications. The World Bank will arrange the simultaneous publication of all REOIs prepared and submitted by the Borrower on the World Bank's external website. Contract awards will also be published in UNDB online, in accordance with the World Bank's Procurement Guidelines (paragraph 2.60) and Consultants' Guidelines (paragraph 2.31).

**26. Requirements for NCB.** Works, goods, and non-consulting service contracts will use NCB procurement methods in accordance with national procedures using SBDs acceptable to IBRD and subject to additional requirements:

- In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the financing will provide that (i) the bidders, suppliers, contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers will permit the World Bank as the supervising entity, at its request, to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and will have the said accounts and records audited by auditors appointed by the World Bank/supervising entity and (ii) the deliberate and material violation of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines.
- Invitations to bid will be advertised in national newspapers with wide circulation.
- The bid evaluation, qualification of bidders, and contract award criteria will be clearly indicated in the bidding documents.
- Bidders will be given adequate response time (at least four weeks) to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later.
- Eligible bidders, including foreign bidders, will be allowed to participate. No domestic or Economic and Monetary Community of Central Africa (*Communauté Economique et Monétaire des Etats de l'Afrique Centrale*) regional preference may be given to domestic or regional contractors or to domestically or regionally manufactured goods. Association with a national or regional firm will not be a condition for participation in a bidding process.
- Bids are awarded to the substantially responsive and the lowest evaluated bidder, proven that the bidder is qualified. No scoring system will be allowed for the evaluation of bids, and no 'blanket' limitation to the number of lots that may be awarded to a bidder will apply.
- Qualification criteria will only concern the bidder's capability and resources to perform the contract, considering objective and measurable factors.

27. **Procurement environment.** No special exceptions, permits, or licenses need to be specified in the loan agreement, because the procurement code, approved by the President of the Republic of Gabon on June 19, 2012, allows World Bank procedures to take precedence over any contrary provisions in local regulations. A decree creating a procurement regulatory body was already issued. However, this institution is not yet operational, as it is not yet completely staffed. Only their DG and the president of the Regulatory Board have been nominated so far. The World Bank provided support to the first phase of a PFM RAS which focused on improvement of budget preparation, including support to (a) the timely preparation of procurement, commitment, and disbursement plans in six key line ministries; (b) the development of a procedures manual for the elaboration of the administrative accounts; and (c) the piloting of the performance audit in the health sector with the aim of assessing whether value-for-money was realized in relation to spending. Through the ongoing PFM RAS II, the World Bank has been assisting the Government in (a) the setting up of budget management tools in line with the new program budgeting approach; (b) the strategy of the newly created Public Procurement Regulatory Body; (c) the elaboration of the bidding documents; and (d) the training of trainers.

28. **Procurement of works.** Works procured under this project will be for the renovation and refurbishment of the building used by the DGS which the Government has officially allocated as the building that will serve as the headquarters of the new NSA. No ICB is foreseen under this project, as the abovementioned works are estimated to cost less than US\$5,000,000 equivalent per contract. The NCB procurement methods will be the only sole procedure to be used, in accordance with national procedures using SBDs acceptable to the World Bank, and subject to the additional requirements set forth in paragraph 27 of this annex. Small works estimated to cost less than the equivalent of US\$200,000 per contract may be procured through shopping, based on price quotations obtained from at least three contractors in response to a written invitation to qualified contractors. Direct contracting shall be used in accordance with the provisions of paragraph 3.7 of the Procurement Guidelines.

29. **Procurement of goods and non-consulting services.** Goods procured under this project would include vehicles, furniture, and office equipment. Considering (level of value added) the manufacturing/producers capacity in the country, procurement of goods will be bulked where feasible (similar nature and need at same period) into bid packages of at least US\$1 million equivalent, so that they can be procured through suitable methods to secure competitive prices. Goods estimated to cost US\$1 million equivalent and above per contract will be procured through ICB using the World Bank's SBDs. For other goods contracts costing less than US\$1 million equivalent, NCB procurement methods will be used in accordance with national procedures using an SBD acceptable to the World Bank and subject to the additional requirements set forth or referred to in paragraph 27 of this annex.

- Procurement of goods and non-consulting services, including those of readily available off-the-shelf maintenance of office electronic equipment and other services such as printing and editing, which cannot be grouped into bid packages of US\$100,000 equivalent or more, may be procured through prudent shopping in conformity with Clause 3.5 of the Procurement Guidelines.

- Based on country-specific needs and circumstances, shopping thresholds for the purchase of vehicles and fuel may be increased up to US\$500,000 equivalent, considering the major car dealers and oil providers are consulted.
- Direct contracting will be undertaken in accordance with the provisions of paragraphs 3.7 of the Procurement Guidelines.
- At the beginning of the project, vehicles procurement packages estimated to cost US\$200,000 equivalent or less can be procured through the United Nations Office for Project Services or other United Nations agencies.

30. **Selection of consultants.** Consulting services will be needed for the following activities: (a) technical assistance to develop, implement, and monitor the agency's annual business plans; (b) recruitment of a senior statistics advisor; (c) technical assistance to develop a results-based management system; and (d) financial audit.

31. These consulting services will be procured through the most appropriate method among the following, which are allowed by the World Bank guidelines and included in the approved Procurement Plan: Quality- and Cost-Based Selection, Quality-Based Selection, Selection under a Fixed Budget, and Least-Cost Selection. Selection based on the Consultants' Qualifications will be used for assignments that shall not exceed US\$300,000 equivalent. Single-Source Selection (SSS) shall also be used in accordance with the provisions of paragraphs 3.8 to 3.11 of the Consultants' Guidelines, with World Bank's prior agreement. All terms of references will be subject to the World Bank for prior review. The following requirements will apply:

- Assignments of engineering designs and contract supervision in excess of US\$300,000 and all other technical assistance assignments above US\$100,000 equivalent, must be procured on the basis of international short lists and in accordance with the provisions of the paragraph 2.6 of the Consultants' Guidelines. All other consultancy assignments, in which the estimated cost does not exceed US\$100,000 equivalent per contract, may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultants' Guidelines.
- Consultants for services meeting the requirements of Section V of the Consultants' Guidelines will be selected under the provisions for the Selection of Individual Consultants, through comparison of qualifications among candidates expressing interest in the assignment or approached directly.

32. Operating costs financed by the project include, among others, utilities, office supplies, vehicle operation, vehicle maintenance, and insurance, as well as building and office equipment maintenance costs. These goods and services will be procured using the project's financial and administrative procedures included in the project Operations Manual and based on the annual work plan and budget. For services (car maintenance, computer maintenance, and so on) to be financed through operating costs, the project will proceed with service contracting for a defined period.

33. Trainings, workshops, seminars, conferences, and study tours will be carried out on the basis of an approved annual work plan and budget that will identify the general framework of

training and similar activities for the year, including the nature of training, study tours, and workshops, the number of participants, and cost estimates.

**Institutional Arrangements for Procurement and Capacity Assessment, including Risk Mitigation Measures**

34. **Procurement implementation arrangement.** The CN-TIPPEE will be in charge of the implementation of the fiduciary aspects of the project activities.

35. **Procurement capacity assessment of the implementation arrangement of the CN-TIPPEE.** A procurement risk and management assessment of the capacity of the CN-TIPPEE for the purposes of the project was carried out. The assessment indicated that the procurement risk for implementation of the project is rated Substantial. There is a procurement specialist currently on board, who needs to be maintained to work on this new project or replaced by any other procurement specialist with qualifications and expertise satisfactory to the World Bank. Given the fact that the CN-TIPPEE is currently managing other World Bank-financed projects, there is a need to reinforce the procurement unit with two junior procurement specialists because of the heavy workload that is foreseen for the procurement unit. It was agreed that the position of these two junior procurement specialists would be financed by the two other World Bank-financed projects managed by the CN-TIPPEE. The project Operations Manual also needs to be updated.

36. **The procurement risk is rated Substantial.** To mitigate the abovementioned procurement risks, an action plan has been agreed upon. Implementation and monitoring of the mitigation action plan, outlined in table 3.3, will reduce the procurement residual risk to Moderate.

**Table 3.3. Procurement Action Plan**

Action to Be Undertaken	Time Frame	Responsible Body
Prepare and submit a Procurement Plan to the World Bank	Discussed and adopted during negotiations	CN-TIPPEE
Finalize and submit, a satisfactory version of the project Operations Manual comprising a section on procurement for use by the project to the World Bank for agreement	Adoption upon/before effectiveness	CN-TIPPEE
During the project’s life, maintain an acceptable procurement arrangement with the World Bank, comprising a procurement specialist and two junior procurement specialists, if justified by the workload.	During project’s life	CN-TIPPEE

37. **Procurement Plan.** The Borrower, has prepared a simplified Procurement Plan for project implementation that provides the basis for the procurement methods and types of reviews. This plan, covering the first 18 months of project implementation, has been discussed, and agreed upon during negotiations. It will be available in the project’s database, and a summary will be disclosed on the World Bank’s external website once the Board approves the project. It will be updated in agreement with the project team annually, or as required, to reflect the actual project implementation needs and improvement in institutional capacity.

38. **Publication of results and debriefing.** The Borrower shall publish information on UNDB online for all contracts under ICB and Limited International Bidding and all direct contracts and in the national press for all contracts under NCB. Such publication shall be done within two weeks of receiving the World Bank's 'no objection' to the award recommendation for contracts subject to the World Bank's prior review and within two weeks of the Borrower's award decision for contracts subject to the World Bank's post review. The disclosure of results is also required for selection of consultants. The Borrower shall publish information on UNDB online for all contracts when the short list includes any foreign firm and all SSS contracts awarded to foreign firms and in the national press for all contracts where the short list comprises only national firms and for all SSS contracts awarded to national firms. Such publication shall be done within two weeks after receiving the World Bank's 'no objection' for award of the contract subject to the World Bank's prior review and within two weeks of successful negotiations with the selected firm for contracts subject to the World Bank's post review.

39. **Fraud and corruption.** The procuring entity as well as bidders, suppliers, contractors, and service providers must observe the highest standard of ethics during the procurement and execution of contracts financed under the program, in accordance with paragraphs 1.16 and 1.17 of the Procurement Guidelines and paragraphs 1.23 and 1.24 of the Consultants' Guidelines. The 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, and revised in January 2011, will apply to this project.

40. **Frequency of procurement supervision.** The capacity assessment of the CN-TIPPEE has recommended supervision missions to visit the field at least twice a year, and a post review of procurement actions will be conducted annually.

41. **Prior review thresholds for works, goods, and non-consultant services.** Contracts estimated to cost more than US\$10 million equivalent for works and US\$1,000,000 equivalent for goods per contract, the first ICB and NCB contracts for works and goods, eventually others as identified in the Procurement Plan, and Direct Contracting above US\$100,000 equivalent will be subject to prior review by the World Bank.

42. **Prior review thresholds for consultant services.** Contracts estimated to cost above US\$500,000 equivalent for firms and US\$200,000 equivalent for individuals per contract, and SSS of consultants (firms and individuals) to cost above US\$100,000 equivalent will be subject to prior review by the World Bank. Similarly, all audit contracts will be subject to prior review as will be any other contract identified in the Procurement Plan.

#### **Environmental and Social (including safeguards)**

43. The project has triggered safeguard policy OP 4.01 Environmental Assessment. The environmental screening category is B. Under Subcomponent 2.2, the project proposes to finance the renovation and refurbishment of the dilapidated building used by the DGS, which the Government has officially allocated as the building that will serve as the headquarters of the new Statistical Agency. These activities, which will be site specific, are likely to have small environmental impacts on human population (noise, safety risk, waste matters, and dust). To protect people's health from environmental risks and pollution, the project will prepare an

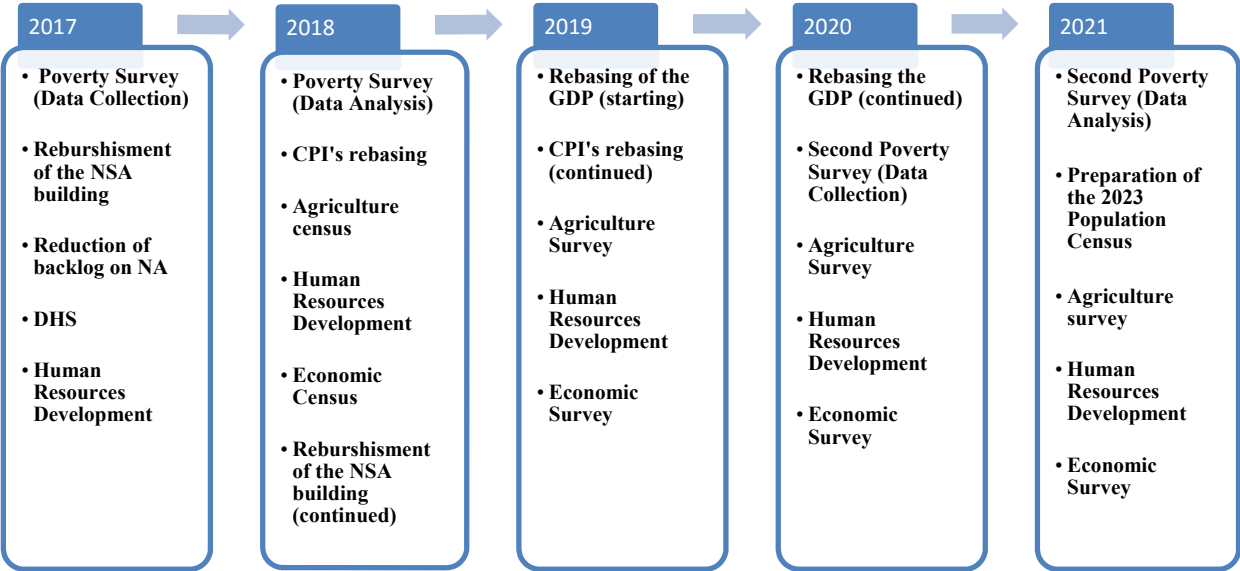
Environmental and Social Management Plan before the beginning of work, which outlines measures that should be taken to avoid disturbing employees of the DGS during work hours and to ensure basic hygiene and workers’ health; and safety rules to be observed during the rehabilitation. The contract to execute the work will include such measures as legal bonds for the chosen firm.

**Monitoring and Evaluation**

44. **The project’s M&E system focuses on accountability for results and improved supervision to encourage the timely production of quality data.** It moves beyond the usual tracking of inputs and outputs to focus on intermediate outcomes and processes. An important element of the new approach to monitoring is the introduction of survey solutions (CAPI), which allows for near real-time monitoring of survey implementation and reduces the scope for non-sampling errors by recording the interview location and duration.

45. In addition, the NSA will designate one of its departments to be in charge of data collection to produce the project indicators at the frequency outlined in the project results framework (see annex 1), as well as monitoring the main project activities outlined in figure 3.2. The results framework has been designed to capture key activities, outputs and outcomes of the project.

**Figure 3.2. Chronogram of the Main Activities of the Project**



## Annex 4: Implementation Support Plan

### Gabon: Statistical Development Project

1. **Strategy and approach for implementation support.** The strategy for implementation support has been developed based on the nature of activities involved in the program and the commensurate risk profile in accordance with the risk assessment. The Implementation Support Plan, as described here, will be a living document and will be reviewed regularly and revised when required during implementation.

2. **Technical support.** The World Bank will provide the required technical support through sector specialists to advise, or supervise if needed, the technical aspects of statistical activities, particularly the methodology design, the data collection, processing, dissemination, and archiving as well as capacity building. Implementation support will be provided through at least two implementation support missions a year and through continuous exchange of correspondence and frequent use of telecommunication. Short interim visits will be conducted to maintain close coordination between the World Bank team and the client. World Bank staff would participate in capacity-building events and during critical periods of some activity implementation.

3. **Procurement.** The capacity assessment of the implementing agency has recommended a supervision site visit every six months and, as part of the implementation support missions, at least one annual post-procurement review will be carried out.

4. **FM.** FM implementation support will be consistent with a risk-based approach and will involve a collaborative approach with the entire task team (including a procurement specialist). Shortly after project effectiveness, the first implementation support mission will be carried out. Afterwards, the missions will be scheduled using the risk-based approach and will include the following due diligence: (a) monitoring of the FM arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during implementation (Implementation Status and Results Report); (b) reviewing the IFRs; (c) reviewing the audit reports and management letters from the external auditors and following up on material accountability issues by engaging with the TTL, client, and/or auditors; the quality of the audit also is to be monitored closely to ensure that it covers all relevant aspects and provides enough confidence on the appropriate use of funds by recipients; (d) physical supervision on the ground; and (e) assistance to build or maintain appropriate FM capacity.

**Table 4.1. Implementation Support**

Time	Focus	Skills Needed	Resource Estimate (staff weeks)	Partner Role
First twelve months	Procurement training	Procurement specialist	2	Not applicable
	FM training and supervision *	FM specialist	2	Not applicable



<b>Time</b>	<b>Focus</b>	<b>Skills Needed</b>	<b>Resource Estimate (staff weeks)</b>	<b>Partner Role</b>
	TTLs and other skill mix required	Statisticians and IT	14	Not applicable
12–24 months	Procurement supervision	Procurement specialist	2	Not applicable
	FM supervision *	FM specialist	2	Not applicable
	TTLs and other skill mix required	Statisticians and IT	8	Not applicable

Note: \* The FM supervision activities as listed in table 4.2 have been identified.

**Table 4.2. FM Supervision Activities**

<b>FM Activity</b>	<b>Frequency</b>
IFRs review	Quarterly
Review of the audited financial statements (audit reports)	Annually
Review of other relevant information such as interim internal control systems reports	Continuous, as they become available
Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audit, and other reports	As needed
Transaction reviews	As needed
FM training sessions	During implementation and as and when needed