

INTEGRATED SAFEGUARDS DATA SHEET

IDENTIFICATION / CONCEPT STAGE

Report No.: ISDSC18225

Date ISDS Prepared/Updated: 18-May-2016

I. BASIC INFORMATION

A. Basic Project Data

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|--|---|------------------------------|---------------|
| Country: | World | Project ID: | P160275 |
| Project Name: | Harmonization of Price Statistics & National Accounts in LAC Countries and Supporting the Estimation of PPP Time Series | | |
| Team Leader(s): | Maurice Nsabimana | | |
| Estimated Date of Approval: | 25-May-2016 | | |
| Managing Unit: | DECDG | Lending Instrument: | IPF |
| Sector(s): | General public administration sector (100%) | | |
| Theme(s): | Analysis of economic growth (25%), Economic statistics, modeling and forecasting (50%), Macroeconomic management (25%) | | |
| Financing (in USD Million) | | | |
| Total Project Cost: | 0.4147 | Total Bank Financing: | 0 |
| Financing Gap: | 0 | | |
| Financing Source | | | Amount |
| Trust Fund for Statistical Capacity Building | | | 0.4147 |
| Environment Category: | C - Not Required | | |

B. Project Development Objective(s)

The overall objective of the project is to build the capacity of pilot countries in the areas of price statistics and national accounts, in order to advance the data foundation for measuring sustainable development, and to support evidence based policymaking and effective monitoring. Specific objectives include:

- (€ Improving country statistical capacity in the compilation of detailed disaggregated national accounts expenditure data, and addressing gaps identified in the 2011 ICP round. Efforts would focus specifically on improving difficult to measure areas, such as housing, financial services, net purchases abroad, services provided by non-profit institutions serving the households, etc;
 - (€ Improving the quality, comparability and consistency of consumer price data across the ten pilot countries, by advancing harmonization of CPI and ICP regional and sub-regional lists and survey activities; and
 - (€ Filling identified data gaps in price statistics and national accounts, and introducing a new approach to allow the production of regular annual estimation of PPPs for LAC countries.
- Promoting partnerships and strengthening the sense of ownership of the international comparison

between national statistical offices (NSOs) and regional and international agencies by sharing good practices and building human capital.

C. Project Description

Recent assessments carried out in LAC countries by UN-ECLAC's Statistics Division on the status of national accounts, consumer price indices and basic economic statistics have shown that, although significant progress has been achieved in the last few years, substantive improvements are still needed in terms of reliability, accuracy, timeliness and completeness of the information provided to users.

The two areas – national accounts and consumer prices – are closely linked, as the consumer price index is the reference series for estimation of national accounts at constant prices. Therefore, the synergies that might emanate inside the project should be taken into due consideration as a factor that can substantially improve the comparability of economic statistics over time and across countries, a factor of major concern at the international level.

For national account activities, the project aims to address the main issues encountered by member countries in providing high-quality national accounts expenditure data. More specifically, and in line with the technical assistance provided during the 2011 ICP, efforts will be dedicated to the estimation of detailed expenditures, following international requirements that shall advance the previous efforts for compilation of national accounts data. The objective of the project proposal is to maximize the appropriate use of available statistics and source data in all pilot countries to obtain detailed expenditure estimates based on ICP classification, thus reducing to a minimum the use of imputation. The project also aims at improving the quality, comparability and consistency of consumer price data across the ten pilot countries, and ultimately across the entire LAC region. This objective will be achieved through further developing a comprehensive and standardized survey framework, and using better standardized quality and consistency control procedures.

Finally, the project will pilot a new approach in the estimation of PPP time series, which would constitute a breakthrough in the process of updating regional and sub-regional PPPs.

Project Activities:

To enhance the capacity of countries – national practices and methodologies in the fields of national accounts and prices statistics, and to produce indices in line with established international standards, the project activities will cover:

- Regional and sub-regional workshops with focal points in prices and national accounts aimed at: (i) identifying data gaps and difficult to measure areas in price statistics and in national accounts and discussing the concrete steps to improve them; (ii) discussing methods for harmonizing collection, validation and estimation of results; (iii) supporting quality assurance processes; (iv) developing a new approach for producing annual estimates of regional PPPs; and (v) facilitating the sharing of best practices in the production, reporting and dissemination;

- National seminars and technical assistance designed to: (i) improve detailed national accounts expenditure data and filling gaps; (ii) address issues related to survey sample design, data collection, validation and processing procedures; and (iii) support national data validation and other quality assurance processes; and

- Development of training materials and manuals on data collection, validation, estimation, and reporting, as well survey materials and guidance in both Spanish and English. The materials will contain guidance on international recommendations and best practices on both consumer prices and national accounts.

Project Phases:

The project will be implemented in six stages:

- (ç Phase 1 - Preparation: Assessment of price and national accounts situation in pilot countries; analysis of available economic data for non-pilot countries; definition of a regional list of Household Consumption items for the ten pilot countries;
- (ç Phase 2 - Price data collection: Collection of at least two quarters of consumer prices per year during 2016-2017 per pilot country; price data collection and estimation based on regional list of items with available information for years 2005-2015;
- (ç Phase 3 ➤(National Accounts: Use of latest available vintages on national accounts to update the national accounts expenditures for years 2005-2016; estimation of Household Consumption expenditure structures for years 2005-2016;
- (ç Phase 4 ➤(PPPs estimation for pilot countries: PPPs estimation for pilot countries for years 2005-2016;
- (ç Phase 5 ➤(Sub-regional and Regional PPP estimation: Mining of available price data for non-pilot countries for the overlapping common products in national CPI and regional lists; estimation of PPPs by sub-region and LAC for years 2005-2016; and
- (ç Phase 6 ➤(Forecasts to 2017: Preliminary estimates of national consumption data and structure based on available information for both pilot and non-pilot countries; use of quarterly price data collected to estimate preliminary PPPs at sub-regional and regional levels.

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

E. Borrower's Institutional Capacity for Safeguard Policies

F. Environmental and Social Safeguards Specialists on the Team

II. SAFEGUARD POLICIES THAT MIGHT APPLY

| Safeguard Policies | Triggered? | Explanation (Optional) |
|-------------------------------------|-------------------|---|
| Environmental Assessment OP/BP 4.01 | No | The project is proposed to be as classified as Category C, given no environmental impacts are expected since the project consists of training activities that do not have potential negative environmental impact/risk associated issues. |
| Natural Habitats OP/BP 4.04 | No | The project does not contemplate rehabilitation or new works in areas of natural habitats or that would significantly impact natural habitats. |
| Forests OP/BP 4.36 | No | The project will not finance activities in forests or that could potentially affect forest resources or their management. |
| Pest Management OP 4.09 | No | The project does not involve purchase or use of pesticides or finance any activities that could lead to changes in pesticide use or pest management practices. |

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| Physical Cultural Resources OP/BP 4.11 | No | The project does not contemplate rehabilitation or new works that could potentially affect physical cultural resources. |
| Indigenous Peoples OP/BP 4.10 | No | The project will strengthen the statistical capacity of government institutions, and as such will not finance any activities affecting areas where indigenous communities are present or to which they have a collective attachment. |
| Involuntary Resettlement OP/BP 4.12 | No | The project will strengthen the statistical capacity of government institutions and as such will not finance any activities that might lead to land acquisition, resettlement, or the restriction of access to natural resources. |
| Safety of Dams OP/BP 4.37 | No | The project will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams. |
| Projects on International Waterways OP/BP 7.50 | No | The project will not finance activities involving the use or potential pollution of international waterways. |
| Projects in Disputed Areas OP/BP 7.60 | No | The project will not finance activities in disputed areas as defined in the policy. |

III. SAFEGUARD PREPARATION PLAN

Appraisal stage ISDS required?: No

IV. APPROVALS

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|-------------------------------|----------------------------------|-------------------|
| Team Leader(s): | Name: Maurice Nsabimana | |
| Approved By: | | |
| Safeguards Advisor: | Name: Francis V. Fragano (SA) | Date: 18-May-2016 |
| Practice Manager/ Manager: | Name: Grant James Cameron (PMGR) | Date: 23-May-2016 |

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.