



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

Concept Stage | Date Prepared/Updated: 29-Nov-2016 | Report No: PIDISDSC19996



BASIC INFORMATION

A. Basic Project Data

Country Mali	Project ID P160977	Parent Project ID (if any)	Project Name Improving Mali's Statistical System (P160977)
Region AFRICA	Estimated Appraisal Date Apr 17, 2017	Estimated Board Date Sep 19, 2017	Practice Area (Lead) Poverty and Equity
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Institut National de la Statistique (INSTAT)	

Proposed Development Objective(s)

The project development objective is to strengthen the capacity of the National Statistical System to produce and disseminate high quality and timely data in the selected areas of demographic, national account, welfare and agricultural statistics.

Financing (in USD Million)

Financing Source	Amount
IDA Grant	20.00
Total Project Cost	20.00

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



B. Introduction and Context

Country Context

1. The Republic of Mali is a large landlocked country in the heart of West Africa with a population of approximately 17.6 million in 2016. It shares 7,200 km of borders with seven countries: Algeria, Niger, Burkina Faso, Ivory Coast, Guinea, Senegal and Mauritania. Its two most accessible ports located on the Atlantic coast are Abidjan (at 1,285 Km by road) and Dakar (at 1,500 km by rail). The population is concentrated in the southern part of country along the Niger River and is growing at a rate of 3 percent per annum. This population, of which 77.6 percent live in rural areas with a slight predominance of women (51 percent), is young and expected to reach 19.8 million in 2020.

2. The Malian economic base is predominantly rural and dependent on agricultural production (cotton, cereals, livestock, etc.). The agricultural sector's contribution to GDP is high, averaging 40 percent over the period 2006-2014. Cereals (millet, sorghum, maize, fonio) contributed on average 45 percent to the primary sector GDP over the same period. Agriculture emerged as the primary pathway to poverty reduction in the recently completed Systematic Country Diagnostics (Report No. 94191-ML). The SCD identified increasing productivity, particularly cereal crops in arid areas where land is still relatively abundant, as the main pathway to poverty reduction.

3. Despite strong recent economic growth, poverty remains persistent and widespread. Mali's GDP growth was estimated at 5.5 percent in 2015, returning to its long-term trend after peaking at 7.2 percent in 2014. This continued robust growth was mainly driven by a 7.6 percent rebound in the tertiary sector. The agricultural sector grew by 3.9 percent. Poverty tends to be sensitive to broad based economic growth but also to production volatility in the agricultural sector, which is highly susceptible to droughts, floods and pestilence. Mali's global extreme poverty was estimated at 46.9 percent in 2015 when using \$1.90 2011 PPP.

4. Since January 2012, Mali has been facing serious political and military crises with some impact on public data collection. One important consequence of the crises has been the de facto partitioning of the country into northern and southern parts. The insecurity caused by armed conflict and acts of terrorism has provoked intense movements of people to parts of the country that are more secure, especially to the capital Bamako and probably abroad. This conflict continues to affect the ability of the National Statistical Office to collect data in the north. For instance, the household survey “*Enquête Modulaire Permanente (EMOP)*” which collects quarterly data is unable to cover the region of Kidal. If the security situation remains the same, the 5th General Census of Population and Housing (RGPH) planned for 2019 might not be able to cover the north as well.

5. Decision makers need timely and high-quality statistics. The government has adopted a new Strategy for Accelerating Growth and Sustainable Development (CREDD, *Cadre Stratégique pour la Relance Economique et le Développement Durable*) for 2016–2018. The CREDD represents the new framework for the design, implementation, and monitoring of different policies and development strategies at national and sectoral levels. It lays out the foundation for sustainable and inclusive growth in order to achieve the Sustainable Development Goals (SDG) by 2030. The CRRED focuses on three strategic and thirteen priority areas, one of



which is the strengthening of statistics for decision making. Monitoring of the 38 specific objectives requires recurrent and timely statistics across different sectors.

6. Statistics also plays a crucial role in performance budgeting. The government has developed an ambitious agenda to move to performance-based budgeting starting in fiscal year 2018 in which government agencies commit to achieving certain well-defined objectives in return for budgetary resources. This agenda is data intensive and requires careful monitoring of performance indicators. A well-functioning national statistical system is then required to measure the extent to which their objectives are being met. The statistical agency itself will also be subject to performance indicators, offering an avenue for reform and institutional strengthening.

Sectoral and Institutional Context

7. The *Institut National de la Statistique* (INSTAT) is the central statistical agency which has “relative” autonomy. Since 2009, INSTAT has been governed by a Board of Directors. The Board is chaired by the minister in charge of Statistics or his representative (currently the Secretary General of the Ministry of Planning and Population). It includes 13 other members who are appointed for three years by ordonnance of the minister. The Board sets the internal organization, adopts the budget, and reviews and approves the activities of the director general who is appointed by decree by the Council of Ministers as proposed by the minister in charge of Statistics. Neither the Board nor the director general has the autonomy to hire needed human resources. All recruitment plans have to be approved by the Ministry of Public Service, and all recruitment is done through the centralized Government exam.

8. High quality foundational data are lacking. The last population census was conducted in 2009 and the accuracy of statistics that are derived from it, including macroeconomic statistics (such as GDP or external aid per capita), enrollment and access to services, as well as measures of poverty, is questionable. Mali has never conducted an enterprise census and the current sample frame of enterprise surveys is biased toward firms based in Bamako. Industrial statistics are usually obtained from unreliable administrative sources instead of well-designed sample surveys that can be linked to other sources such as tax registration.

9. Routine data collection is frequent but coverage and quality remains low. The structural basis of the National Account is outdated and missing multiple source data which affects the quality of macroeconomic aggregates. Information on prices is collected only in the district of Bamako. There is a need to annually update information on small and medium enterprises production, household production, business intermediate consumption, producer prices in primary and secondary sectors, and Government finance. An agricultural survey financed by the Government is conducted every year but fails to provide quality information needed to reliably estimate agricultural GDP or to assess the impact of major Government plans such as the fertilizer subsidy program. Livestock and fishery statistics are unreliable and are projected based on incomplete data.

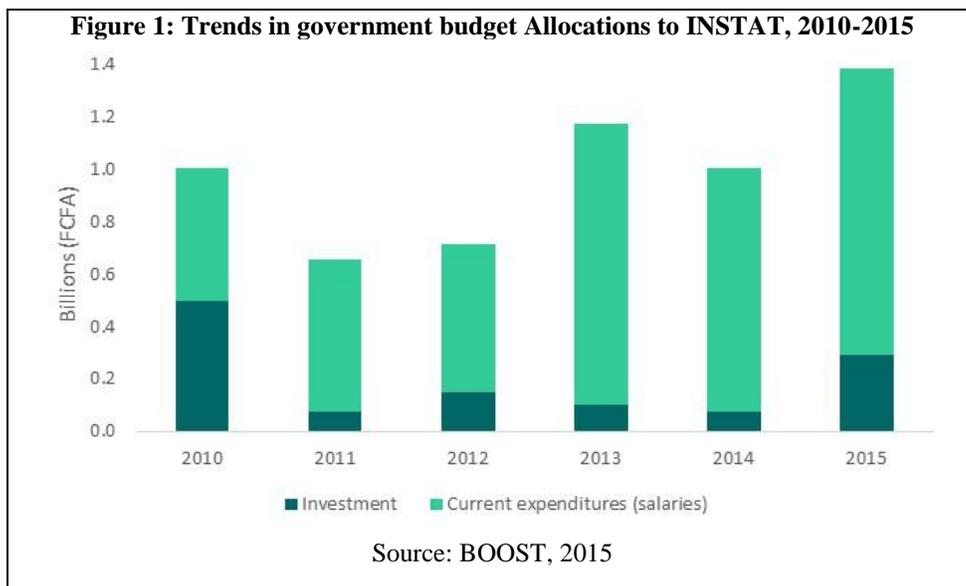
10. Limited data dissemination constrains the use of data. INSTAT does not have a data dissemination policy in line with Open Data principles. In fact the 2005 Statistics Act does not allow for the dissemination of individual anonymized statistical data, even though that has now become a recurring demand from researchers and research organizations. The new 2016 Statistics Act (law n° 2016/005) does not address this issue, creating further ambiguity about whether researchers and policy makers can access the micro-data.



11. Institutional shortfalls pose a problem with regard to the efficient functioning of the statistical system. The existing new laws and decrees do not foster an environment conducive to efficient statistical operations. First, there are serious shortcomings in institutional coordination. The newly created statistics council is too large (more than 60 members not including representatives from CPS of the line ministries) while lacking sufficient private sector and user representation. INSTAT’s oversight function with respect to sectoral statistical units (CPS) is limited. Secondly, the inability for INSTAT to hire its own staff due to laws governing civil service has led to a shortage of professional staff with the right qualifications which has an impact on the quality of data produced.

12. Staffing has become one of the major constraints affecting the National Statistics System’s data production and quality. The quality of human resources is inadequate in all units within INSTAT. Presently, fewer than 15 percent of the staff are trained statisticians. Already it was noted that the institution is unable to hire its own staff; nor are the staff that have been hired managed in a performance based manner or effectively trained to improve their capacity. Even though the official remuneration scheme is unlikely to attract and retain the best-skilled individuals, the presence of ample per diem opportunities for field work, training and report writing create a culture of favoritism and skews incentives towards large scale, low quality data collection operations as opposed to high quality, nimble data operations using administrative data.

13. The National Statistics System is not adequately funded. Low government budget and ad-hoc external financing of statistical activities hinders effort to produce high quality statistics. While the need to fill data gaps keeps rising, the government budget allocations to the NSS has remained flat. For the period 2010-2015, cumulative funding allocated to INSTAT’s statistical activities was approximately US\$ 12 million with 80 percent dedicated to salaries. These funding constraints have at times prevented INSTAT from carrying out core data operations that are demanded by the government. The CPSs do not have specific allocated budget either for their statistical operations.





14. Reluctance of the authorities to fund statistics adequately, or to accord greater autonomy to INSTAT is explained in part by the low quality of output that is generated. INSTAT presently finds itself in a vicious cycle of limited funding and limited autonomy which lead to misaligned incentives, low capacity staff and low data output. Breaking this cycle requires a gradual process aimed at increasing data quality, leading to greater confidence of the authorities in INSTAT, which in turn can open up space for enhanced budget allocation and increased autonomy. The introduction of performance budgeting and management offers a unique opportunity to this end that the project will exploit.

15. The Statistics Master Plan (SMP) for 2015–2018 is the basis of all statistical activities. In an attempt to respond to the above-mentioned challenges, the government prepared a comprehensive Statistics Master Plan (*Schéma Directeur de la Statistique* [SDS]), which was approved by the Cabinet of Ministers in July 2014. The SMP assesses the current national statistical system, sets clear objectives for improvements and defines detailed action plans to reach its objectives. The SMP comprises four main strategic areas: (i) management of the National Statistical System (NSS), (ii) capacity development (human and infrastructure), (iii) data production, (iv) data analysis and dissemination.

16. The proposed statistics project is in line with the SMP. Realizing the structural constraints leading to low data quality the approach taken is through a process of gradual reform, in which incentives are more aligned with quality data production, and as the quality of statistical production improves, autonomy of INSTAT is enhanced, thus creating virtuous cycle of continuous improvement. The project has three components: (a) quality enhancement through capacity building, data collection and dissemination; (b) institutional development; and (c) project management.

17. The project alone will not address all issues affecting the NSS. In line with the SCD recommendation of building selected centers of excellence, the project will focus on improving data quality and strengthening the capacity of three institutions (INSTAT, CPS-Agriculture, and *l'Observatoire du Développement Humain Durable* ODHD) and transform them into champions of high quality statistics. The project will prepare background studies and, as data quality improves, engage in a dialogue with the authorities with the aim of addressing the lack of core funding for statistics and the lack of high qualified staff (including through DPOs). Based on progress made, the possibility of an additional financing should be explored mid-way through the project. At that time, the prospect of a PforR approach should also be assessed.

18. Where feasible the project will rely on performance/results based financing approaches. Aligning incentives with quality data production is a critical step towards more reliable statistics. One way to do this is through the introduction of performance/results based financing. This approach has had considerable success in health, but has never been attempted with respect to statistics. The project team intends to explore whether and how performance based financing can be introduced. Doing so would require breaking down large scale statistical operations into smaller, well identified sub-activities and investments in (independent) quality control. The latter will happen in any case under this project as it is an important means to inform the Board of INSTAT and to monitor the performance contract between INSTAT and the authorities.



Relationship to CPF

19. The proposed project is aligned with the Systematic Country Diagnostics (SCD) and the Country Partnership Framework (CPF). The SCD (Report No. 94191-ML), which was discussed by the Board of Executive Directors in June 2015, found that the weak capacity of the Malian statistical system hinders the accurate measurement and interpretation of poverty and poverty trends. For example, despite the multitude of household surveys, poverty data are not comparable over time and lack detailed information on income sources. The CPF for 2016–2019 (Report No. 94005-ML, discussed by the Board of Executive Directors on November 3, 2015) emphasized statistical capacity building projects aimed at improving data access, the quality of household surveys, national accounts and agricultural statistics. The CPF also notes, “Opportunities for effective public management and public accountability are limited by the poor quality and inadequate dissemination of statistics.” This project supports the CPF by focusing on (i) quality enhancement through capacity building, data collection and dissemination (ii) and institutional development.

C. Proposed Development Objective(s)

The project development objective is to produce and disseminate high quality and timely data in the selected areas of demographic, enterprise, national account, and agricultural statistics, by strengthening the capacity of the National Statistical System through institutional reforms.

Key Results (From PCN)

20. Project Beneficiaries: The direct beneficiary of the project is the NSS, particularly INSTAT, the *Conseil National de la Statistique* (CNS), CPS-Agriculture, and ODHD. Indirectly, users of statistical products and services, in government and outside of government, e.g., in universities, research institutions, businesses, development partners, and media, will also benefit from the outcomes of the project.

21. PDO-Level Results Indicators. The project development objective will be assessed by the relevance and quality of the outputs/outcomes obtained by INSTAT, CPS-Agriculture, and ODHD. The main expected outcomes of the project are as follows:

- Increase in the Statistical Capacity Index (SCI) score
- Foundational data bases (RGPH digital cartography and the enterprise census) are produced and made publicly available.
- Anonymized micro-datasets (agriculture, national accounts, and welfare data) are produced and made publicly available online within 12 months from field work completion
- Core public budget (allocation and execution) of INSTAT has increased
- Increased proportion of positions filled in accordance with the new staffing strategy (merit-based recruitment)



D. Concept Description

22. The project has three components: (a) Quality improvement through capacity building, data collection and dissemination; (b) Institutional development; and (c) Project Management. They are in conformity with the government's program (SMP) and are designed to support the implementation of the SMP's strategic focus areas. The World Bank's support is planned for five years (2017–2022). The project has a total cost of US\$20.0 million equivalent to be provided through an IDA grant.

Component 1: Quality improvement through capacity building, data collection and dissemination (US\$14.0 million)

23. One of the main lesson that has emerged from reviewing statistical capacity building projects is that a more focused and result-oriented approach is needed for their success. This component will support a number of activities to strengthen the quality and timeliness of data produced. The activities will remain largely focused on well-defined outputs around data production, data quality enhancement, and data dissemination. Capacity building will be achieved through data collection (learning-by-doing), technical assistance (residents advisors), and collaboration (peer-to-peer learning). Data collection will cover foundational products (digital cartography of the RGPH and the enterprise census). Quality enhancement will cover routine products (national accounts data, annual agriculture and household surveys, and commune survey). These data production activities were selected based upon the following factors: (i) impact on the whole national statistical system and; (ii) the quality of existing information.

24. This component will also focus on improving the quality of selected priority product lines using results-based financing: the annual agriculture survey (*Enquête Agricole de Conjoncture, EAC*), the welfare survey "*Enquête Modulaire Permanente (EMOP)*", and the commune survey (*Enquête de mesure du développement humain et de la pauvreté multidimensionnelle*). These product lines were selected because they are already fully funded by the government and are conducted annually. Under this component, improvement efforts for each product line will focus on survey methodology, operations, and dissemination. However, to be effective and to strengthen the extent to which improved performance can be sustained, the way in which financial assistance is delivered must be changed. This component will be executed through a result-based financing mechanism. During project preparation phase, results to be financed will be identified for each product lines and verification mechanism will be agreed upon.

(1.1) Cartography of the General Population and Housing Census (US\$6.0 million)

25. The Government of Mali has just completed the project document for the preparation of the fifth population and housing census (RGPH) 2019. Since its independence in 1960, Mali has conducted four population and housing censuses, in 1976, 1987, 1998 and 2009. The RGPH is the indispensable source that provides, in a comprehensive and detailed manner, data to the finest geographic level on demographic, economic, cultural, and social aspects of the population. Census data are a valuable tool for programming, monitoring, and evaluation of development plans at national, regional, and local levels. In addition, census data



provide the information necessary for the establishment of sampling frames for future surveys. The recent migration flows originating from the 2012 political crisis had an impact on the geographical distribution of the population, which can only be captured through a new population census.

26. The 5th RGPH is a priority activity for the government. It will use geospatial technologies for enumeration area mapping and digital tablets as tools for data collection. The various activities (preparation, digital census cartography, pilot census, enumeration, post-enumeration survey, data processing and analysis) will be spread over three years (2018–2020). The total budget is estimated at US\$20 million. The government expected contribution is approximately 50 percent and INSTAT is seeking the contribution from partners: 20 percent from UNFPA and 30 percent from World Bank's IDA. This subcomponent of the project will complement planned activities and financing of the government and UNFPA. It will fund the (i) census preparatory activities, (ii) digital census cartography, and (iii) the pilot census. If counterpart funding does not materialize, the project will explore the possibility of an additional financing from World Bank IDA. The main output is the digital cartography (with information on dwellings, social infrastructure and population distribution) which will be made publicly available. It will establish a strategic partnership between INSTAT and IFORD (*Institut de Formation et de Recherches Demographiques* which has a proven record in introducing CAPI in censuses).

(1.2) System of Enterprise Data and National Account (US\$4.0 million)

27. The increasing share of private sector investment and output in the Malian economy has created a new need for business and market information. The foundation of this information is a comprehensive enterprise census which has never been carried out in Mali. With the rapidly changing structure of the economy, there has been a concurrent rapid entry and exit of firms from various economic activities that are not captured. There is no reliable and comprehensive database in terms of number of firms, their main activities, and their spatial and sectoral distribution. As a result of the inaccuracies in the business register, INSTAT is constrained in carrying out sample surveys such as (i) Census of Industrial Production; (ii) Business Expectations Inquiry; or (iii) Survey of Retail and Distributive Trade.

28. The specific objective of the enterprise census is to facilitate the production of a comprehensive and up-to-date register of establishments. This will be used in conducting various establishment-based sample surveys as well as create benchmark data for all future surveys. Expected outputs include a new master sample frame for yearly enterprise surveys and production-use tables for the national accounts. The enterprise census will be publicly available if possible. The business register which will be linked to sub-registers (e.g. VAT, Customs, Income Tax and Labor register) will also be accessible on-line. Capacity building in this area will happen through collection of the above-mentioned data (learning-by-doing) and technical assistance in the form of a resident advisor (condition and duration to be determined) in enterprise censuses and surveys. Also, staff may be trained to produce industrial production indices using the enterprise census. Twinning arrangement possibilities will be explored.

29. INSTAT is the process of moving to the 2008 National Accounting System, developing a new base year, and estimating quarterly GDP statistics. To that end, substantial improvement is needed in the scope and coverage of source data. Economic activities in several sectors (construction, trade, and services) are poorly



measured. This subcomponent will also support the improvement of source data, statistical methodologies, and statistical practices. Some expected outputs include (i) the production of national accounts by branch of activity and institutional sector adopting the new base year and (ii) creation of input-output table, overall economic account and social account matrix. The project will contribute to improving INSTAT's capacity to produce national account statistics and close the main data gaps. Capacity building will happen through collection of the above-mentioned data (learning-by-doing) and technical assistance in the form of a resident advisor (condition and duration to be determined) in national accounts. The objective will be to: (i) develop a clear roadmap for upgrading National Accounts to SNA 2008 (ii) re-base the NA using new source data collected (iii) produce backward extrapolation and forecast of the new series of accounts (iv) and produce quarterly estimates of GDP from the new base year.

(1.3) Agriculture data (US\$2.0 million)

30. Despite the importance of the agricultural sector for poverty reduction and the national accounts, the agricultural monitoring system is weak. The sector accounts for 38 percent of the Gross Domestic Product (GDP) and 70 percent of employment. The government validated the National Agricultural Investment Program on April 24, 2015 and is spending US\$1.6 billion on 108 projects. To assess the benefits of these large investments, it is necessary to have full and reliable information on the agricultural sector. However, the diagnosis of the current system of agricultural and rural statistics shows that there are significant gaps in coverage, quality, and adequacy of the data. The annual agricultural survey, financed by the government, provides only an estimate of the cereal food balance. Gardening vegetables, horticulture, and fruit production levels are not subject to rigorous statistical monitoring, and the quantities (production and cultivated areas) are known only partially.

31. This sub-component will strengthen the quality of agricultural statistics. The potential results that can be financed include: (i) fully developed manual of general methodology that describes survey design, data collection and analysis of results; Developed manual of quality control mechanism and adopted CAPI in data collection (iii) updated sampling frame based on the new RGPH digital cartography (iv) expanded coverage of survey to include new module on horticulture (v) data is archived and made available online.

32. This sub-component will also strengthen livestock and fishery statistics. In terms of animal production, the statistics on livestock are unreliable and are derived using projections of the outdated 1991 livestock census. Fishery statistics are based on incomplete administrative data which are not nationally representative. One potential result that can be financed is the expansion of EAC coverage to include modules on livestock and fisheries.

(1.4) Welfare data (US\$1.0 million)

33. Driven by high demand from donors and authorities, INSTAT carries out numerous household surveys. The “*Enquête Modulaire Permanente (EMOP)*” is INSTAT's main household survey. It is conducted annually in four rounds and includes modules on socio-economic characteristics, education, health, housing, and consumption expenditure. The project will finance results that improve the quality of EMOP including: (i) adoption of WAEMU survey expenditure module (ii) introduction of a price survey (iii) adoption of CAPI in data collection.



34. Monitoring development outcomes at local level. The ODHD (*Observatoire du Développement Humain Durable*) since 2003, has set up a data collection system which measure living conditions (referred to as the Communal Poverty Index, IPC) in the 705 communes of Mali. The commune survey, already financed by the government, is conducted every three years (2003, 2006, 2009, 2012, and 2015) with the next one planned in 2018. Through interviews with local authorities, the survey collects information on local infrastructure, health and education facilities, economic activities, local governance and finance. The project aims to link this feedback system to inform decision makers about progress in the decentralization process. ODHD, being a public observatory, will participate in the performance budgeting program with the authorities. The project will finance results that include: survey methodology, operations, and dissemination.

(1.5) Data Dissemination and Analysis (US\$1.0 million)

35. A key factor affecting the use of statistics for policy making, monitoring, and research is the limited access to available data. Only those who know of the existence of the limited data are able to access the information, which then gives an advantage to agents who control or receive such information. To improve both demand and supply for data, this component aims to promote timely dissemination, information-sharing, and the use of data for policy decision making. In addition, it aims at improving public management and public accountability through large dissemination of quality statistics. This focus area will finance the following activities:

- (i) Develop a data access and dissemination policy in line with the relevant legislation; and ensure that data users gain wider access to suitably anonymized micro-data.
- (ii) Establish an electronic archive system; improve Internet access at INSTAT; and redesign INSTAT's website to include a micro-data portal access in line with open-data and open-government principles.
- (iii) Develop connectivity and data transfer technology between INSTAT and other data producers, including decentralized regional offices.

36. INSTAT collects several data, but they are set aside after production of the principal report and the quality of data preclude the possibility of in-depth analysis. Capacity building in this area will focus on training staff to adequately carry out data analysis and interpretation of surveys through peer-review and south-south learning. The topics of analysis will be selected in agreement with INSTAT.

Component 2: Institutional development (US\$4.5 million)

37. Statistical production in a decentralized system such as Mali is based on three essential pillars: the legal framework and the quality of statistical coordination, administrative and financial autonomy, and staff expertise. An enabling institutional environment for quality statistics requires incentives of actors to be aligned. This component aims to support institutional reforms through background studies (institutional and human resource assessments) and dialogues (CNS, Ministry of Finance, and Ministry of Population) to identify reforms around the government performance budgeting initiative.



38. An institutional and human resources assessment of INSTAT will analyze the span of control required for improving management decisions within the legal and authority framework. By doing so, it will strengthen accountability for a results-based production of statistical products. Similarly, the Human resources framework will be assessed to identify targeted interventions for improving work environment and attract and retain more skilled staff. This assessment will be done in three areas: (i) staffing and HR policies, (ii) management, incentives and organization, and (iii) knowledge and learning.

(2.1) Legal and institutional coordination (US\$0.1 million)

39. Weak regulatory and institutional coordination is a constraint to statistical development. The NSS is currently undergoing some institutional reforms. If done well these reforms will better align institutionalized incentives with the production of quality data. While the reforms represent an improvement, critical issues remain. First, there are shortcoming in institutional coordination. A new Statistics Act (law n° 2016/005) approved on February 2016 and two new decrees (Décret n° 2016-0502/P-PM and Décret n° 2016-0497/P-PM) signed on July 6, 2016, set the organization and operation procedures of the CNS (*Conseil National de la Statistique*) as the principal national coordination body. The council is too large but also lacks sufficient private sector and user representative. Second, there is a lack of effective producer-user dialogue and the lack of balance between data supply and demand.

40. This subcomponent aims to support these ongoing NSS institutional reforms. Based on an institutional assessment, it will specifically include activities to enforce or reform the existing laws for statistical systems and operations, redesign the CNS as coordinating organization for statistical policies, and initiate dialogues between producers and users of data. In the short run, the project will not seek to change all recent legislations, but will consider how to develop new statutory measures to mitigate their weaknesses. The role of CNS will be strengthened to assume the responsibility of setting goals, formulating statistical policies, adopting annual and long-term statistical programs, coordinating statistical operations, and ensuring data quality. Through enhanced quality control, the project will find ways to align incentives with the production of quality data. The project will also support CNS in promoting effective user-producer dialogs by organizing workshops to identify users' emerging needs, evaluate users' feedback and create an institutional mechanism to balance information demand and supply. Finally, the project will also support CNS and link its work to the government performance-budgeting program (demand linkage).

(2.2) Administrative and Financial Autonomy (US\$2.0 million)

41. INSTAT, the central statistical agency has only a “relative” administrative and financial autonomy. The technical autonomy granted to the institution is not effective, and the institution does not have the ability to hire its own staff. This situation is exacerbated by the misallocation and high mobility of human resources. In addition, public financial resources are insufficient to cover core statistical operations. To deal with these issues, INSTAT has been pursuing two fundamental policy reforms since October 2010: The first is a change in legal status coupled with a government performance-contract (three-year renewable terms and US\$5.5 million annual funding) that will allow freedom in hiring with competitive salaries about three times higher than current ones. The second is the establishment of a fund for statistical development of US\$4.0–US\$5.0 million annual allocation to cover core statistical operations. Up to date, the performance contract has not been signed while the fund for statistical development has been created but not funded. In June 2016, the



government requested a new study to formulate a strategy to pursue legal reform in the areas encompassing the legal status of INSTAT and its financial autonomy.

42. This subcomponent aims to strengthen INSTAT's administrative and financial autonomy. It will finance activities that can justify further public budget allocations and flexibility in hiring. It will first support a wide expenditure analysis (public expenditure review type) that will review the current NSS allocation of resources, suggest areas for rationalization, and provide an estimate of the overall annual resources (human and financial) required to carry out core statistical activities in the NSS on a sustainable basis. Based on the outcomes of the new study and conditional on the successful signing of a performance contract between INSTAT and the government, the project will finance the first year (or few months) of the government obligations in the contract (up to US\$1.9 million). Funding of the statistical development fund would be pursued through a DPO after completion of the PER.

43. Quality control mechanism. Upon successful signing of the performance contract, the project will set up an independent mechanism to assess objectively whether data quality standards are being met. The project will update the signed performance contract by introducing additional objectives and results that could be reported to the Board of INSTAT, the Ministry in charge of statistics, the Ministry of Finance, and the CNS.

(2.3) Human resources development (US\$2.4 million)

44. Human resources remain a constraint to statistical development. This is a cross-cutting issue throughout the national statistical system (NSS) both in terms of quality and quantity of staff. The NSS, in general, lacks qualified staff to produce and disseminate high-quality statistics. Currently, only 15 percent of the staff within the system have a real statistician's profile. As of July 2016, 95 people were employed at INSTAT, representing just 52 percent of the total required staff. Large share of the workforce at INSTAT has never had the opportunity to update their knowledge and almost 37 percent of the staff have never participated in capacity-building training. Among those who have participated in this kind of training, one-third did it before 2011.

45. This subcomponent will develop and implement a Human resources strategy that attracts and retains qualified staff in the NSS. This will be based on 3 pillars (i) improving staffing and HR policies environment, including reviewing the remuneration schemes, career paths and professionalization of staff (ii) strengthening management practices and leadership (iii) creating an adapted knowledge and learning strategy. The project will support the development of modern human resources practices through a thorough review of the existing policies and establish a strategic staffing strategy that will aim at recruiting the right caliber of staff in the national statistics system and design career paths for existing staff. It will support redesigning INSTAT's organizational structure and determine the staffing requirements in terms of numbers and skills of the staff needed to conduct core statistical operations. This approach will be supported by the development of an ambitious training plan and the strengthening of the new Center for Training and Development in Statistics (CTDS) in Bamako. It will also support establishing South-South knowledge exchanges between INSTAT and other French speaking national statistics offices in the regions. To start remedy the lack of supply of statisticians and demographers, the project will support a scholarship program (covering tuition fees, stipend, and book fees) that grants funding to Malian students admitted in the regional schools. Based on similar experience, the project will identify partnerships with the regional schools. The implementation of the scholarship will be contingent



upon the successful signing of INSTAT’s performance contract under a new legal status which would reduce the incentives of newly trained students to rather seek career in the private sector.

Component 3: Project Management (US\$ 1.5 million)

46. INSTAT will be the main implementing agency of the project and will be responsible for its management. The project will be managed by INSTAT and led by the DG. The structure of the project management team will be discussed during project preparation. In addition, INSTATs existing procurement and fiduciary structures will be strengthened with a financial management specialist, a procurement specialist, and an assistant who will be hired by INSTAT and integrated in the existing structures. Specifically, the project management team will coordinate project activities, manage reporting and auditing activities, and ensure compliance with the procurement, disbursement, and financial management policies and procedures. The project will support salaries for the project management staff, consultants’ services for monitoring and evaluation studies, audits, project reviews, and the production of the procedure and project implementation manuals. The project will also support the management of INSTAT in the areas of leadership and performance-based practices.

SAFEGUARDS

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

The project supports institutional reforms and data collection through INSTAT's office in Bamako.

B. Borrower’s Institutional Capacity for Safeguard Policies

No safeguards are triggered

C. Environmental and Social Safeguards Specialists on the Team

Emeran Serge M. Menang Evouna

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	



Indigenous Peoples OP/BP 4.10	No
Involuntary Resettlement OP/BP 4.12	No
Safety of Dams OP/BP 4.37	No
Projects on International Waterways OP/BP 7.50	No
Projects in Disputed Areas OP/BP 7.60	No

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 31, 2017

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

No safeguard-related studied required.

CONTACT POINT

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APPROVAL

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