

PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE

Report No.: PIDC107039

Project Name	Statistical Methodology Development and Capacity Building in Conditions of Armed Conflict in Ukraine (P163181)
Region	EUROPE AND CENTRAL ASIA
Country	Ukraine
Lending Instrument	IPF
Project ID	P163181
Borrower Name	Ministry of Finance
Implementing Agency	The State Statistics Service of Ukraine
Environmental Category	C - Not Required
Date PID Prepared	25-Jan-2017
Estimated Date of Approval	
Initiation Note Review Decision	

I. Introduction and Context

Country Context

Ukraine is a conflict-affected country with population of 45 million people (2014) and a gross national income per capita was US \$ 3 560 in 2014 (Atlas method, current US dollars) - a decrease from \$ 3760 US in 2013 and below the regional average of US \$ 6892 for Europe and Central Asia.

Despite the moderate success in reducing absolute poverty, the average real incomes were stagnant and the population decreased by 13% since 1991. A number of economic crisis aggravated by the demographic decline and the unstable political situation. In recent years, the smoldering conflict in the east of the country and the loss of control over a part of its territory, contributed to a sharp reduction in GDP (around 12% in 2015), as well as rising inflation and the strong devaluation of the currency.

Political instability, accelerated by the revolution "euromaidan" in 2014, has led to a reorientation of Ukraine towards European integration and extensive social and economic reforms. A reform-minded government initiated the long overdue modernization of a number of sectors with the help of the international community. However, the progress of reforms is slow due to political and macroeconomic instability. In addition, the ongoing military operation in the Donetsk and Luhansk regions have led to a reduction in the country's GDP by 6.6% in 2014 and further 9.9% in 2015. Real disposable income of the population of Ukraine decreased by 11.5% in 2014, and -by 22.2% in 2015 when the economy bottomed-up. In the second quarter of 2016, Ukraine's GDP rose by 1.4%, while real disposable income of the population - by 5.6%.

Sectoral and Institutional Context

The State Statistics Service of Ukraine (SSSU) is a specially authorized central executive authority in

the field of statistics, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Economic Development and Trade. It is the main producer of official statistical information about the economic, social, demographic and ecological situation in Ukraine and its regions.

The main tasks of the state statistical activity are determined by long-term development programs. Currently SSSU implements the fifth such program - the Strategy-2017. To implement the Strategy the SSSU developed an action plan which includes measures for each area of development of state statistics.

The development of the national statistical system in accordance with the Strategy-2017 is focused on:

- Improving the quality of government statistics by creating a holistic effective national system of official statistics,
- Improving the coordination of the state statistical activity by harmonizing legislation in the field of state statistics and related fields with the relevant international standards and EU law,
- Promoting cooperation with statistical information producers, and strengthening the interaction with suppliers of administrative data,
- Ensuring the satisfaction of the needs of users of statistical information, strengthening partnerships,
- The integration of statistical production processes through the use of statistical procedures based on the methodology, classifications and registers corresponding to the fundamental principles of official statistics of the UN and EU standards,
- Implementation of an integrated statistical information system, managed metadata,
- Improving the quality of state statistical activity by process control improvement of statistical production, measuring the adequacy of resource provision and evaluation of the effectiveness of its use, etc.

Since independence, SSSU made significant progress in the construction and modernization of the national statistical system. According to the results of the global assessments of national statistical system of Ukraine and its compliance with international standards, carried out by representatives of the European Commission, the European Free Trade Association and the UNECE, Ukrainian statistics meets most of European requirements, and the information produced by the state statistics bodies are of high quality in most sectors.

According to international experts, the institutional environment in which the state statistics bodies function in general corresponds to statistical standards, including the fundamental principles of official statistics of the United Nations, the European Statistical Code of Practice, as well as the Compendium of statistical requirements from Eurostat.

Along with the recognition of these achievements, the global assessment noted the presence of areas in which further work is necessary to improve the statistics.

SSSU has developed and started to implement plans for the implementation of individual acts of EU legislation in the field of statistics, approved by order of the Government. Those aim to harmonize the statistical system with European norms and standards, in particular with regard to implementation Collection of the statistical requirements of Eurostat (statistical requirements compendium), annexed to the Treaty. The requirement for harmonization stems from the Agreement on Association between Ukraine and the EU (signed of 27 June 2014 by the President of Ukraine and ratified by the Law of Ukraine from September 16, 2014 № 1678 (hereinafter - the Agreement).

The Declaration on the Role of National Statistical Offices in the Measurement and Monitoring of the

Sustainable Development Goals (adopted at the 63rd plenary session of the Conference of European Statisticians) set before the SSSU the goal of strengthening existing statistical capacity to ensure a systematic approach to achieving the Sustainable Development Goals (hereinafter - SDGs).

In practice, achieving the SDGs requires appropriate information and analytical support: integrated approaches and new data sources for in-depth research, for the definition of risks and factors that affect the welfare of the population and its social, economic and environmental sustainability, and for the development of effective policy.

Relationship to CAS/CPS/CPF

The activities listed in this proposal are closely aligned to the knowledge gaps identified in the draft SCD about to be finalized, and which is expected to help shape the next CPF. The draft SCD lists weaknesses in the quality of data, and particularly in micro-data (which is a result of limited knowledge of microdata compilation), and difficulties in data access, as two key obstacles for major pieces of policy relevant analysis, such as the analysis of regional disparities and the deepening of the analysis of social impacts of macroeconomic consolidation. It is expected that the CPF, which aims to be strongly informed by a focus on poverty and shared prosperity, will seek to address these priorities.

In addition to directly addressing one of the knowledge gaps identified by the SCD, the activities in this proposal clearly relate to other ongoing ASAs. Those include: the ongoing Programmatic Approach on Peacebuilding and Recovery (P156720) which includes data collection activities in conflict afflicted areas, which will provide useful operational insights for this project; and the ECCU2 Programmatic Poverty ASA (PA-P160443-IMPL-BB) which includes a component on sharing international experiences of data collection in conflict setting with statistical offices in other countries afflicted by similar situations.

Currently, methodological and technical support for the areas outlined in this application have been rather piecemeal in nature; support within the EU TAEX program is also sporadic and not linked to the subject of this request.

The proposed TF SCB grant will be implemented in close collaboration with all development partners active in the area of statistics and therefore will maximize synergies.

II. Project Development Objective(s)

Proposed Development Objective(s)

The overall objective of the Project is to provide methodological support for the of the All-Ukraine Population Census, the production of population statistics in conditions of armed conflict, and the modernization of the system of population surveys.

Key Results

The project will yield three main results:

- (i) The methodological framework for the all-Ukrainian Census is developed.
- (ii) Methodological recommendations for the systematic introduction of modern methods of collection, processing and dissemination data used to produce demographic and household statistics are developed and their implementation is underway.
- (iii) The capacity of the SSSU staff related to conduct the All-Ukrainian population census; modern population surveys and the production of population statistics in conditions of armed conflict are strengthened.

III. Preliminary Description

Concept Description

IV. Safeguard Policies that Might Apply

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

V. Financing (in USD Million)

Total Project Cost:	0.454	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Trust Fund for Statistical Capacity Building			0.454

VI. Contact point

World Bank

Contact: Caterina Ruggeri Laderchi, Gregory Kisunko
Title: Senior Economist
Tel: 458-4020
Email: cruggeriladerchi@worldbank.org

Borrower/Client/Recipient

Name: Ministry of Finance
Contact: Oleksandr Danyliuk
Title: Minister
Tel: 380444259026
Email: onfomf@minfin.gov.ua

Implementing Agencies

Name: The State Statistics Service of Ukraine
Contact: Igor Verner
Title: The Head
Tel: 380442870173
Email: I.Verner@ukrstat.gov.ua

VII. For more information contact:

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>