



AFRICAN DEVELOPMENT FUND

PROGRAM: BUILDING STATISTICAL CAPACITY FOR MDG
MONITORING AND RESULTS MEASUREMENT

COUNTRY: MULTINATIONAL: 40 PARTICIPATING REGIONAL
MEMBER COUNTRIES

PROGRAM APPRAISAL REPORT

Date: December 15, 2011

Appraisal Team	<p>Team Members: Mr. B. Kokil Manager, ESTA 1; Mr. O. Chinganya Manager, ESTA 2; Ms. A. Nabalamba Principal Statistician, ESTA 2; Mr. R. Ngong Consultant, ESTA 0</p> <p>Sector Director: Mr. C. L. Lufumpa, ESTA</p>
Peer Reviewers	<p>P. Ondiege (EDRE) R. Situmbeko (OWAS) C. Nkhata (OSAN) F. Kamau (GECL) S. Muller (ORWB) A. de Roquefeuil (EADI) A. Moumami (EDRE) M. Yaro (ORPF) A. Ayad (ORPF) I. Zougrana (ONRI.1)</p>

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CURRENCY EQUIVALENTS

(As of October 2011)

UA 1 = USD 1.56

FISCAL YEAR

January 1 – December 31

ACRONYMS AND ABBREVIATIONS

ACBF	African Capacity Building Foundation
ADF	African Development Fund
ADP	Accelerated Data Program
AfDB	African Development Bank
AFRISTAT	Economic and Statistical Observatory for Sub-Saharan Africa
AUC	African Union Commission
BAPS	Busan Action Plan for Statistics
COMESA	Community of Eastern and Southern Africa
CSI	Core Sector Indicator
DFID	Department for International Development, UK
EASTC	East African Statistical Training Center
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
ENEA	École Nationale d'Économie Appliquée (Sénégal)
ENSEA	École Nationale de Statistique et d'Économie (Côte d'Ivoire)
ICP	International Comparison Program
IFRS	International Financial Reporting Standards
IHSN	International Household Survey Network
ILO	International Labour Organization
IMF	International Monetary Fund
ISAE	Institute of Statistics and Applied Economics (Uganda)
IsDB	Islamic Development Bank
ISSEA	Institut Sous-régional de Statistique et d'Économie Appliquée (Cameroon)
MDGs	Millennium Development Goals
MICs	Middle Income Countries
NGOs	Non-governmental organizations
NSDS	National Statistical Development Strategy
NSO	National Statistical Office
PARIS21	Partnership in Statistics for Development in the 21 st Century
PRESS	Partnership Report on Support to Statistics
PRS	Poverty Reduction Strategy
RMC	Regional Member Country
RPG	Regional Public Good
RRSF	Reference Regional Strategic Framework for Statistical Capacity Building in Africa
SADC	Southern African Development Community
SCB	Statistical Capacity Building
SHaSA	Strategy for the Harmonization of Statistics in Africa
SNA	System of National Accounts
SRO	Subregional Organization
STC	Statistical Training Center
UNSD	United Nations Statistics Division
WHO	World Health Organization

GRANT INFORMATION

Client information

GRANT RECIPIENTS:	40 RMCs
EXECUTING AGENCY:	National Statistics Offices (NSOs) at the national level; Subregional Organizations (SROs) (AFRISTAT, COMESA, EAC, ECCAS, ECOWAS, SADC) at the subregional level; and Regional Coordination Unit at the regional level. Statistical Training Centers (STCs) will execute the training activities.

Financing Plan

Source	Amount (UA million)	Instrument
ADF (for ADF eligible RMCs only)	20.0	Grant Allocation for Regional Operations
AfDB (in-kind) *	7.3	Administrative budget
RMCs	4.2	National budgets
ACBF	4.1	Grant
Japan - JICA	1.0	Grant
DFID-UK**	10.0	Grant
Gates Foundation**	7.3	Grant
Other donors**	10.3	Grant
Total cost	64.2	

* Represents estimated staff time of ESTA and other Bank's unit staff as well as office expenses such as communication, office space, etc.

** Discussions are at an advanced stage

AfDB's key financing information Not Applicable

Grant currency UA

Timeframe – Indicative Milestones

Concept Note approval	November 2011
Program Appraisal Report approval	December 2011
Board approval of Grant	January 2012
Effectiveness	February 2012
Last Disbursement	July 2013
Completion	December 2013

Program Summary

Program Overview

- **Name and scope:** The program (“Building Statistical Capacity for MDGs Monitoring and Results Measurement” or SCB III) will cover the ADF-eligible countries in the region. It builds on the achievements of two earlier programs (SCB I and II), implemented in 2004–2007 and 2009–2011 respectively.
- **Expected outputs:** The program will improve the quality and coverage of official statistics produced by national, subregional, and regional statistical systems. This will contribute to more effective economic management, better MDGs and poverty monitoring, informed evidence-based policymaking, as well as improvements in the design of future Bank programs and projects.
- **Timeframe:** The program will run from January 1, 2012 to December 31, 2013. It is anticipated that there will be a fourth phase (SCB IV), or possibly a continuation of SCB III, to sustain the momentum in strengthening statistical capacity, at least until the MDG target date of 2015.
- **Beneficiaries:** Technical assistance, training, and investment in capacity building will be provided to the national statistical systems of 40 participating RMCs. In addition, four Subregional Organizations (SROs) and five Statistical Training Centers (STCs) with a regional mandate will also be supported. The beneficiaries will be all the producers and users of official statistics, including: national statistical agencies; national policymakers; businesses and investors; researchers and analysts; citizens of RMCs; SROs; and development institutions at national and regional levels, including the Bank.
- **Participation mode:** RMCs will implement the program at the country level, mainly through national statistical agencies as the apex organizations of national statistical systems. In line with the ADF-12 Framework, special attention will be given to fragile and postconflict states. Activities in Middle Income Countries (MICs) will be financed mainly from the Technical Assistance Fund for MICs and will mostly involve technical assistance and knowledge sharing.

Needs Assessment

- The program will consolidate the achievements of SCB I and II, by building capacity and improving the compilation, processing, management, dissemination, and use of official statistics in Africa. In particular, it will strengthen results measurement and MDGs monitoring. The independent evaluation of SCB II concluded that both phases I and II were largely successful, while recommending that future phases promote greater country ownership and strengthen the core elements of statistical capacity, particularly data archiving and management, and institutional organization, which this program addresses.
- The evaluation identified the need for a greater focus on statistical capacity, with emphasis on both inputs and outputs through a core work program. The design of the Program takes this into account through its five components, but, in line with the Busan Action for Statistics, participating countries will determine their own priorities and the sequencing of capacity building activities through their NSDSs.

The Bank’s Added Value

- The value added that the Bank can bring to the program comprises four main strands: (i) The program builds on and utilizes the lessons learned by the Bank in implemented SCB I and II; (ii) It will utilize the existing statistical infrastructure in RMCs, including the large network of active partners established by the Bank; (iii) The program resonates with the Bank’s results ethos and its championing of the use of statistics throughout the lifecycle of its projects and programs; and (iv) The Bank has the capacity and mandate to operate at both regional and country levels, which is a key feature of the program.
- As in the other phases, the Bank will largely rely on technical expertise within ESTA for implementation of the program. It is also well-positioned to leverage the support of other development partners, where necessary, to help deliver the technical assistance to ensure the program’s success. In this respect, the Bank will utilize its longstanding relationships with its development partners, both regionally and subregionally, to build synergies.

Knowledge Management

- National statistical systems and agencies will continue to be the owners of national data. As countries adopt and follow subregional, regional, and international standards and guidelines, the quality and coverage of statistics at subregional and regional levels will improve. These data will be an important part of the Bank’s own results measurement, monitoring and evaluation processes and will feed into improved effectiveness of its future operations, research, and policy advice.

Results-based Logical Framework

Country and program name:		<i>Multinational:</i> Program for Building Statistical Capacity for MDGs Monitoring and Results Measurement				
Purpose of the program:		Improved availability, coverage, and quality of statistics on the economic, social, and environmental situation of people and societies in Africa, in line with international and regional standards, supporting the use of statistics to promote development and poverty reduction				
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline (Sept 2011)	Target (Dec 2013)		
IMPACT	Impact					
	Contribution to more effective economic management, poverty monitoring, better informed policymaking, and improved design of programs and projects	Maintain progress toward reduction of poverty by at least 1% drop	44.0%	43.0%	UN MDG database	<ul style="list-style-type: none"> Risk: Governments and other users may not trust or use statistics to strengthen policy. Mitigation: RMCs are supported to generate statistics in line with regional and international standards and recommendations. Risk: RMCs may be unwilling to give priority to financing the ongoing costs of statistical systems to sustain improvements in performance. Mitigation: The AfDB, in partnership with other agencies, continues to advocate for RMCs to give priority to financing statistical activities, in line with regional and global initiatives.
	Outcome 1					
Improved availability of economic, social, and environmental data at national, subregional, and regional levels	Proportion of ADF countries unable to report on five main indicators with at least two observations in six years (GNI per capita; headcount poverty ratio; primary school net enrollment; infant mortality ratio; access to clean water)	18%	10%	AfDB database		
OUTCOMES	Outcome 2					
	Increased capacity of national statistical systems in the region	Statistical capacity indicator published by the World Bank – average for all countries	0.53	0.60	World Bank SCI database	

OUTPUTS	COMPONENT 1 Output 1.1 Improved coverage and quality of statistics in ADF focal areas	Percentage of RMCs meeting international and/or regional guidelines and standards on statistics in at least five ADF focal areas	10%	15%	ESTA country assessments	<ul style="list-style-type: none"> • Risk: RMCs may be unwilling or unable to implement plans for improvement, e.g. because of budgetary or manpower constraints. Mitigation: Ensure that plans for improvement are in line with the NSDS and are feasible, taking into account current and anticipated constraints and advocate for continued investment in statistics by donors and governments. • Risk: Development partners may not deliver on the expected financing. Mitigation: Make sure development partners are fully committed to the results agenda, the Busan Action Plan for Statistics, and MDG monitoring in RMCs. • Risk: Aid may be fragmented and coordination may suffer as a result of the many different organizations being involved in the program. Mitigation: Adoption of the NSDS as the common implementation and coordination framework. • Risk: SROs and STCs may not have the capacity to support, monitor, and supervise the program in RMCs. Mitigation: The capacity of SROs and STCs has already been strengthened in the first two phases and further training and technical support will be provided in the new program. In the SADC countries, grants to countries will be managed directly by ESTA.
	COMPONENT 2 Output 2.1 Increased coverage of civil registration systems and more effective use of data	Percentage of RMCs meeting international and/or regional guidelines and standards on civil registration	15%	20%	WHO/Health Matrix network (HMN) assessment	
	Output 2.2 Improved coverage and quality of statistics on poverty	Percentage of RMCs meeting international and/or regional standards on poverty statistics	45%	55%	UNSD database	
	COMPONENT 3 Output 3.1 Increased compliance with SNA193/2008	Percentage of RMCs more than 80% compliant with SNA1993/2008	58%	60%	UNSD/IMF data base	
	Output 3.2 Improved coverage and quality of price statistics	Percentage of RMCs compliant with IMF/ILO standards	28%	57%	ICP Global and Regional Reports	
	COMPONENT 4 Output 4.1 Countries have established a national data archive	Percentage of RMCs with a national data archive in place	4%	20%	IHSN/ADP database	
	Output 4.2 Countries, SROs, and regional organizations are disseminating data through a website in line with “open data” approach	Percentage of RMCs disseminating data through a website in line with open data approach	25%	50%	IHSN database	
	COMPONENT 5 Output 5.1 Countries are preparing and implementing NSDSs	Percentage of RMCs implementing, preparing or updating an NSDS	54%	60%	PARIS21 Database on NSDSs	
	Output 5.2 Effective mechanisms for the coordination of national statistical systems in place	Percentage of RMCs with an effective coordination mechanism for statistics in place	60%	75%	UNSD	

Results-based Logical Framework (cont.)

COMONENTS	INPUTS
KEY ACTIVITIES	<p>Component 1 – Improving statistics in ADF focal areas Improving the coverage, reliability, timeliness, and availability of statistics in areas such as agriculture and rural development; governance, infrastructure, gender, trade, environment and climate change. Countries will identify and implement plans for improvement in these areas in line with their NSDSs, with specific targets and milestones.</p> <p>Component 2 – Improving social statistics, poverty monitoring and analysis Improving the coverage, reliability, timeliness and access of statistics in areas such as population change, poverty and well-being; and making more effective use of data from administrative sources, especially civil registration. Countries will identify and implement plans for improvement in these areas in line with their NSDSs, with specific targets and milestones.</p> <p>Component 3 – Improving macroeconomic statistics Improving the coverage, reliability, timeliness and availability of macroeconomic statistics in line with international recommendations, such as SNA 2008. Countries will identify and implement plans for improvement in these areas in line with their NSDSs, with specific targets and milestones.</p> <p>Component 4 – Improving data management, archiving, and dissemination Improving the management, archiving, documentation, and dissemination of statistics in all areas at country, subregional and regional levels, making use of new tools and technology where appropriate. Countries will identify and implement plans for improvement in these areas in line with their NSDSs, with specific targets and milestones.</p> <p>Component 5 – Improving strategic planning, coordination, and management of national statistical systems Improving the capacity of national statistical systems to design and implement effective statistical development strategies. Improving and developing mechanisms for coordination and strengthening management capacity through training and technical assistance.</p>
	<p>Component 1 Technical assistance Training Standards and methodological guides Regional and subregional workshops</p> <p>Component 2 Technical assistance Training Standards and methodological guides Regional and subregional workshops</p> <p>Component 3 Technical assistance Training Standards and methodological guides Regional and subregional workshops</p> <p>Component 4 Technical assistance Training Regional and subregional workshops IT equipment</p> <p>Component 5 Technical assistance Training Regional and subregional workshops</p>

Program Management Timeframe

Milestones	2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Board approval											
Grant protocol signature											
Agreements with SROs signed											
Satisfaction of conditions for effectiveness and first disbursement											
Program launching/training of Program Coordination Teams in Financial Management and Procurement											
Preparation of manuals at the regional level											
Disbursement of funds to RMCs											
Submission of implementation plans											
Second tranche of funds											
Quarterly and annual implementation and disbursement reports											
Bank's supervision missions											
Audit											
Midterm review											
Implementation completion report											

REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE AFDB GROUP TO THE BOARD OF DIRECTORS FOR A PROPOSED GRANT FOR A MULTINATIONAL PROGRAM FOR BUILDING STATISTICAL CAPACITY FOR MDG MONITORING AND RESULTS MEASUREMENT

Management submits the following Report and Recommendation for a proposed ADF grant of UA 20.0 million to finance the third phase of a multinational program for “Building Statistical Capacity for MDGs Monitoring and Results Measurement.” The program will cover the 40 African countries that are eligible to receive ADF funding. This is one of the Regional Public Good (RPG) projects and programs approved by OpsCom within the 2012 Regional Operations Prioritization and Selection Framework. It qualifies for cost sharing exemption because it obtained the maximum possible score (12/12) for RPG eligibility as defined by the stage I and stage II criteria (see Technical Annex C1).

I. STRATEGIC THRUST AND RATIONALE

1.1 Program linkages with country and regional strategies and objectives

1.1.1 This Statistical Capacity Building (SCB) Phase III program supports the strengthening of the systems that compile, manage, disseminate, and use official statistics in Africa, building on what has already been achieved in the first two phases (2004 to 2011). The program’s five components link closely to the objectives enshrined in National Strategies for the Development of Statistics (NSDSs), which provide the framework for RMCs’ statistical advancement. The program also responds to a number of important regional initiatives, including: the Reference Regional Strategic Framework (RRSF) for the development of statistics in Africa, adopted in 2006¹ by all RMCs and development partners; the Strategy for the Harmonization of Statistics in Africa (SHaSA); and the Africa Symposium on Statistical Development. The program forms part of the worldwide effort to strengthen statistical capacity, articulated in the recent Busan Action Plan for Statistics (BAPS). This action plan was endorsed at the High-Level Forum on Aid Effectiveness, which took place in Busan, Korea, from November 28 to December 1, 2011.

1.1.2 The BAPS sets the direction for improving statistics globally for the decade ahead. In particular, it supports three principal objectives: (i) to fully integrate statistics in evidence-based decision making; (ii) to promote open access to statistics; and (iii) to increase resources for statistical systems. Continuous involvement is required to sustain the improvements that have been achieved so far and to strengthen the capacity of national statistical systems, on which subregional, regional, and global statistics depend. It will be impossible to deliver and effectively monitor development results without sustained investment in statistical systems at all levels.

1.1.3 The program is also in line with (i) the 2008-2012 Medium Term Strategy of the Bank; (ii) the ADF policy guidelines; (iii) the 2008-2012 Knowledge Development and Management Strategy which all emphasize the central role of statistics in the results agenda.

¹ See Information Note to the Board ADF/BD/IF/2006/238 dated 02 November 2006

1.2 Rationale for the Bank's involvement

1.2.1 The program responds foremost to the directives of the ADF Deputies to position results measurement at the heart of the ADF Agenda. This is a key driver of the Bank Group's operational orientation, which emphasizes managing for results across all its projects and programs. Success in this area can only be achieved and gauged if RMCs possess the necessary capacity for data generation, management, analysis, and dissemination to facilitate the effective design, monitoring, and evaluation of operations.

1.2.2 The Bank has substantial comparative advantage in this area, derived from Phases I and II of the program, as well as its established track-record in capacity-building activities. The AfDB is the largest single provider of resources and technical assistance (TA) for coordinated statistical capacity building at regional and subregional levels. Past activities include: the development of harmonized statistical methodology; the adaptation of international statistical standards to suit conditions in RMCs; providing training to support the implementation of these standards; harmonization of data generation practices to ensure comparability of data across RMCs and globally; the generation of purchasing power parity statistics (ICP-Africa); and the training of RMC officials to strengthen statistical capacity. These activities, which are of a regional and global public good nature, also have a multiplier effect, acting as a catalyst to attract other donors, while inducing governments to prioritize statistics in their budgets.

1.3 Donor coordination

1.3.1 Donor coordination will be ensured through the Reference Regional Framework for Statistical Development in Africa (RRSF) and the Forum for African Statistical Development (FASDEV) which convenes every other year and brings together donors and Heads of NSOs to discuss statistical development issues in Africa. At the RMC level, coordination is through the stakeholder coordination framework - National Strategy for the Development of Statistics (NSDS). The NSDS provides the mechanism for coordination between the government and its development partners. In line with recommendations on good practice in aid coordination, it identifies national priorities and a framework for monitoring progress.

1.3.2 The main donors active in the statistics sector in Africa include: the World Bank, DFID, Statistics Norway, INSEE France, CIDA Canada, DANIDA Denmark, SIDA Sweden, EU, UNDP, and UNICEF. These agencies play key roles in funding various projects and programs in the sector, but mainly at the national level. Table 1 shows the commitments of donors directly and indirectly associated with the SCB program in Africa since 2008.

Table 1: Donors actively supporting statistical development in Africa (US\$ millions)

Donor	Total Commitments 2008–2010		Planned Commitments 2012–2013	
	Total	%	Total	%
African Development Fund (ADF)*	27.8	11	31.2	13
African Capacity Building Foundation (ACBF)	0.1	0	9.3	4
DFID-UK	31.3	13	22.5	10
Gates Foundation	-		21.0	9
Islamic Development Bank (IsDB)	-		3.0	1
Other donors	188.7	76	150.0	63
Total	247.9	100	237.0	100

Source: PARIS21 PRESS Report 2010. * AfDB

II. PROGRAM DESCRIPTION

2.1 *Program components*

2.1.1 The program consists of five separate but closely integrated components (see Table 2) and will focus mainly on activities with Regional Public Goods characteristics. These include (i) *methodological development work* to generate a statistical infrastructure and approach that fit the African environment; (ii) *adaptation of international statistical standards* to suit local conditions in RMCs and conducting training workshops on these standards; (iii) *harmonization of data generation practices and standards* to ensure comparability of data across RMCs and with the rest of the world; and (iv) *training of RMC officials* for strengthening statistical capacity. The Bank will be selective in its interventions and will assume a leadership role for such activities as national accounts, Purchasing Power Parity (PPP) statistics, NSDS design, infrastructure statistics, and MDG monitoring. It will play a supportive and catalytic role in the other program activities.

2.1.2 The program places emphasis on areas where maximum impact can be achieved and where important synergies and economies of scale can be leveraged. Based on the recommendations of the Phase II independent evaluation,² the Bank will be selective in its interventions and will focus on activities such as improving statistics in ADF focal areas,³ improving poverty monitoring, and strengthening the use of statistics for macroeconomic management. In areas where it has a comparative advantage, the Bank will play a leadership role. In other areas it will play a facilitative and catalytic role, mobilizing support from other partners. The components of the Phase III program outlined below are targeted and consistent with the aims of NSDSs; they also align to the overarching goals of the SCB program. The five components will be appropriately designed and implemented to be mutually reinforcing.

² See Annex B.1.1 in the Technical Annexes

³ ADF focal areas include: agriculture and rural development; governance, infrastructure, gender, regional integration and trade, environment and climate change.

Table 2: Program components and costs

Component Title	Cost (UA million)	Component Description
Improving Statistics in ADF Focal Areas	5.5	This component will emphasize support for activities such as agriculture and rural development statistics; governance; infrastructure; gender; regional integration and trade; and environment and climate change statistics. The aim will be to improve the quality, coherence, and consistency of statistics at all levels.
Improving Social Statistics, Poverty Monitoring and Analysis	5.0	Activities under this component include: assisting RMCs to improve the quality and timeliness of statistical outputs with respect to population and housing censuses; household surveys; poverty analysis; and MDG and PRSP monitoring. The more effective use of data derived from administrative processes – including civil registration and vital statistics – will also be emphasized.
Improving Macroeconomic Statistics	3.5	The program aims to provide continuous support to RMCs to promote economic and financial management and consolidate progress made in improving the system of national accounts, price statistics, financial and monetary statistics, and labor market data in general. Building on the progress from Phases I and II, the program will continue to support the generation of purchasing power parity statistics to facilitate cross-country comparisons and analysis.
Data Development, Archiving, and Dissemination	4.0	This component will include support to RMCs to improve data processing, archiving, and dissemination systems for statistical outputs. The activities associated with this component could be extended to non-survey data and encompass data sets developed under the first three components. Satisfying user needs in this manner will go a long way toward correcting the negative image that NSOs have been labeled with in the past. An enhanced and more positive, user-friendly approach will undoubtedly attract more resources from RMC governments for statistical activities.
Strategic Planning, Coordination, and Training	2.0	This component aims at enhancing the coordination of statistical activities at all levels, the mobilization of resources, and the harmonization of statistical standards & methods. It will also support and promote the use of national development plans and strategies as an instrument to coordinate statistical development in RMCs and to align the programs to the Results Measurement Framework. In addition, this component will coordinate and harmonize the activities of Statistical Training Centers to develop and strengthen important skills and competencies.
Total	20.0	

2.1.3 As indicated in paragraph 2.8.1 below, statistical capacity will be monitored by (i) the extent to which countries are able to report regularly and to agreed standards for a limited number of key statistics and (ii) an overall assessment of statistical capacity covering the methodology used; the adequacy of data sources; and the extent to which the periodicity and timeliness of the main statistics meet international standards.

2.2 *Technical solutions retained and alternatives explored*

2.2.1 The technical approach aims to tackle common statistical challenges facing RMCs. It is based on the experience gained during the first two phases and the lessons learned, as set out in the independent evaluation of Phase II. The activities are founded on the RRSF and NSDS principles adopted by all stakeholders. At the country level, the program will operate under the country-owned NSDS. The NSDS is a benchmark in statistical planning and development which is participatory in nature and covers all data producers (e.g. national

statistical offices, central banks, and line ministries), as well as data users. In general, NSDSs have been developed using a system-wide approach and cover the entire statistical system.

2.2.2 The alternatives considered include a series of interventions by individual donors aimed at facilitating improvements in specific areas of statistics. From past experience, however, this piecemeal approach has proved to be ineffective, due to its narrow scope and the problem of coordination at the country level. The NSDS, on the other hand, promotes a holistic approach, which conforms to international standards and provides a framework for coordination of all statistical development activities.

2.3 Program type

2.3.1 Similar to Phases I and II, this program will be a standalone regional operation that promotes regional cooperation and the harmonization of statistics across all 40 participating African countries. It is important to emphasize that it supports improvements in the quality and coverage of official statistics in line with *nationally determined* priorities and strategies. Effective regional cooperation will provide for economies of scale in the delivery of support to national statistical systems, especially in training and the development of standards. Participating countries will set the pace of reform and define their own priorities for the development of their statistical systems within the framework of the regional program.

2.4 Program cost and financing arrangements

2.4.1 The estimated overall cost of the program is UA 64.2 million for the period January 2012 to December 2013 (this includes commitments under negotiation). A parallel financing arrangement is proposed for the program, with the ADF, ACBF and RMCs covering UA 20.0 million, UA 4.1 million and UA 4.2 million respectively. The balance will come from a consortium of other development partners. Negotiations are at an advanced stage with DFID, Japan (JICA), who were cofinanciers of the first two phases and with IsDB and Gates Foundation. In total, the Bank expects to mobilize about UA 32.7 million from development partners.⁴ In addition, the Bank has entered into cooperation arrangements with various agencies and institutions including Statistics Norway, ILO and FAO. The Bank also intends to open discussions with other potential contributors.

2.4.2 The UA 24.2 million from the ADF grant and the governments' contribution will support a stand-alone priority program of activities and the breakdown of costs is shown in Tables 3 to 6. As additional resources from other co-financiers are mobilized, the scope and coverage of the program will be expanded accordingly (e.g. surveys expanded to allow for sub national level analysis, etc.) in line with the objectives of the whole program.

2.4.3 The following breakdown of costs (Tables 3 to 6) relates only to those activities that will be covered by the ADF grant and by the contribution from governments.

⁴ See Financing Plan on p. 4 of this Report.

Table 3: Summary costs by component (UA million)

Component	Local Costs (RMCs + ADF)	Foreign Costs (ADF)	Total Costs	Local Costs as % of Total Costs
1 Improving Statistics in ADF Focal Areas	2.8	3.6	6.4	44.1
2 Improving Social Statistics, Poverty Monitoring, and Analysis	3.4	3.3	6.6	50.8
3 Improving Macroeconomic Statistics	2.1	2.3	4.4	48.3
4 Data Development, Archiving, and Dissemination	1.9	2.6	4.5	42.2
5 Strategic Planning, Coordination, and Training	1.0	1.3	2.3	43.5
Total	11.2	13.0	24.2	46.3

Table 4: Summary of costs by category of expenditure (UA million)

Expenditure Category	Local Costs (RMCs + ADF)	Foreign Costs (ADF)	Total Costs
Goods	1.3	1.6	2.9
Non-Consulting Services	1.3	1.5	2.8
Consulting Services	1.0	1.1	2.1
Training	2.4	2.7	5.1
Miscellaneous (Operating Costs)	4.1	4.7	8.8
<i>Subtotal</i>	10.1	11.6	21.7
Contingencies	1.1	1.4	2.5
Total	11.2	13.0	24.2

Table 5: Sources of finance (UA million)

Sources	Local Costs (RMCs)	Foreign Costs	Total	% Share of Local Costs
ADF	7.0	13.0	20.0	35.0
Governments	4.2	-	4.2	100.0
Total	11.2	13.0	24.2	46.3

Table 6: Expenditure schedule by component (UA million)

Component	Year 1	Year 2	Total
1 Improving Statistics in ADF Focal Areas	1.6	4.8	6.4
2 Improving Social Statistics, Poverty Monitoring, and Analysis	2.7	3.9	6.6
3 Improving Macroeconomic Statistics	1.9	2.5	4.4
4 Data Development, Archiving, and Dissemination	3.2	1.3	4.5
5 Strategic Planning, Coordination, and Training	1.3	1.0	2.3
Total	10.7	13.5	24.2

2.5 Program's target area and population

2.5.1 The program's beneficiaries will be all the producers and users of official statistics in 40 participating RMCs including: administrative units and line ministries; national policymakers; businesses and investors; researchers and analysts; citizens of RMCs; and development partners at the national and regional levels, including the Bank itself. Other beneficiaries will include national statistical agencies in the participating RMCs, subregional organizations (SROs),⁵ and regional Statistical Training Centers (STCs),⁶ which will receive

⁵ The SROs include AFRISTAT, COMESA, EAC, ECCAS, ECOWAS, and SADC.

further capacity building. The SROs and STCs will be selected on the basis of their participation in Phases I and II, and on their capacity level.

2.5.2 The principal outcomes of the program will be twofold. The first outcome will be improved official statistics in RMCs, in terms of coverage and data quality, with greater harmonization in standards and reference classifications between and within countries. The second outcome will be increased capacity of national statistical systems in the region to operate more effectively in terms of data collection, management, and dissemination. The first outcome will provide for (i) increased coverage and reliability of regional poverty measures; (ii) increased reliability, timeliness, and consistency of statistics in the program component areas; (iii) improved quality of databases and statistical systems generally in participating RMCs; and (iv) improved quality and availability of statistical data to feed into the Bank's Data Portal and support the Bank's results management agenda. The second outcome – building the capacity of national statistical systems – will ensure that these improvements can be sustained in the long term.

2.6 Participatory process for program identification, design and implementation, including the active participation of the private sector and civil society

2.6.1 The program identification and design were undertaken in collaboration with the NSOs and other agencies – data producers in the countries, SROs, and STCs – based on the experience garnered from Phases I and II. As with the previous two phases, program implementation will be executed under the framework of the RRSF as well as the NSDS, which is nationally led and owned. The SROs will, under the Bank's guidance, provide technical assistance and act as channels of resources to RMCs. The STCs, for their part, will continue in their key partnership role to deliver training and conduct seminars. Other activities, with greater complexity and requiring a regional outreach, will be managed directly by the Bank. The Bank will also conduct regional seminars and workshops to share experiences and best practices with NSOs and SROs. It will also provide technical assistance to SROs, STCs, and NSOs where necessary. To maximize synergies and promote cooperation at all levels, the Bank will continue to work closely with development partners, NGOs, and academic organizations.

2.7 Bank Group experiences and lessons learned, reflected in program design

2.7.1 The design of the program takes into account and builds on the key lessons from Phases I and II, and on the recommendations of the independent evaluation of Phase II (see Annex 1). The evaluation emphasized the need for setting priorities and suggested that the Phase III program should focus on four core elements:

- **Data development**, with a special focus on administrative data;
- **Data use and management** to be improved, strengthened and disseminated;
- **Empowering national statistical agencies** to promote better coordination in countries; and
- **Skills development**, particularly to improve the organization of statistical activities and strengthen the management of statistical agencies and systems.

⁶ The STCs are ENSEA in Côte d'Ivoire, ENEA in Senegal, EASTC in Tanzania, ISAE in Uganda, and ISSEA in Cameroon.

2.7.2 The evaluation also highlighted the need to ensure that the objectives of the third phase were not overambitious and could be achieved within a two-year timeframe. The program design takes account of these recommendations, while simplifying the monitoring indicators and ensuring that they are more specific and measurable. A final concern voiced by the evaluation is the need for continued and enhanced capacity building in some SROs to ensure that they can fulfill their roles effectively.

2.7.3 The Bank's own internal processes and responsiveness will also be improved by incorporating the lessons from the first two phases. In particular, countries will have more input into the design of the program through their national strategies for statistics, revised arrangements with SROs will support the more rapid disbursement of funds and communications will be improved by having staff based in the field (see paragraph 4.1.1).

2.8 Program's performance indicators

2.8.1 The performance indicators are set out in the results-based logical framework at the beginning of this report. For Outcome 1 ("Improved availability of economic, social and environmental data at national, subregional, and regional levels"), the main indicator will be the decrease in the number of ADF countries that are unable to report to the Bank on a regular basis on five main statistical indicators.⁷ For Outcome 2 ("Increased capacity of national statistical systems in the region"), the indicator will be the measure of statistical capacity compiled and published annually by the World Bank.⁸ The target is to increase the average from the baseline of 0.53 in 2010 to 0.60 in 2013.

III. PROGRAM FEASIBILITY

3.1 Economic and financial performance

3.1.1 The program is not amenable to a cost-benefit analysis as the benefits are not directly quantifiable in monetary terms. However, improvements in statistical systems in RMCs will lead to higher-quality and more timely data, which, in turn, will support better policy formulation, program design and implementation, and the evaluation of results. Better economic policies based on reliable statistics will contribute to economic growth and poverty reduction.

3.2 Environmental and social impacts

3.2.1 The program will have no adverse impact on the environment or climate change. On the contrary, it will help to improve the availability, quality, and timeliness of environmental and climate change statistics, which in turn will lead to better policy formulation and decision making on related issues.

3.2.2 The program will support the generation of gender-responsive statistics in RMCs in line with regional and international agreements and standards. This will facilitate the design

⁷ The proposed indicator is the percentage of countries unable to provide at least two observations in six years for the following indicators: GNI per capita; headcount poverty ratio; primary school net enrollment; infant mortality ratio; and access to clean water.

⁸ For more information, see the World Bank's Bulletin Board on Statistical Capacity. URL: <http://go.worldbank.org/QVSQM1R6V0>

and implementation of programs and projects geared to improve women's economic and social prospects. Special focus will also be given to women as beneficiaries in the training for enumerators, supervisors, and trainers of trainees in STCs supported by the program. Women will also benefit from the on-the-job training.

3.2.3 The program will facilitate the generation of reliable and timely social statistics for planning, implementation, and monitoring of social programs in areas such as education and health and for monitoring the MDGs. Better data will help governments to design targeted poverty reduction and other social programs and to track the effectiveness of such programs.

3.2.4 There will be no resettlements (voluntary or involuntary) occasioned by the program.

IV. IMPLEMENTATION

4.1 *Implementation arrangements*

4.1.1 Experience gained in the implementation of Phases I and II highlights the need to continue to implement the program through regional, subregional and national organizations using existing mechanisms. At the country level, national statistical agencies will be responsible for implementation and coordination. At the subregional level, SROs will be responsible for implementation and coordination within their member countries. At the regional level, the Bank (ESTA) will be responsible for implementation. Support will also be provided through the Bank's field offices, where resources will be supplemented, in some cases, by posting qualified statistical staff in the field.

4.1.2 The capacity of national statistical agencies was assessed in Phase 1 and has been strengthened subsequently both through the first two phases as well as capacity building programs supported by development partners. The focus on basing the program on national strategies for the development of statistics will ensure that existing resource constraints are taken into account. At the subregional level, the capacity of SROs and STCs has been strengthened in the previous phases and will be further strengthened in the proposed program.

4.1.3 *Disbursements:* Grants to RMCs will be disbursed based on the implementation plans for different components, which will be reviewed, supported, and monitored by SROs. In many cases an initial grant will be provided to support the preparation of detailed implementation plans for each component, based on the NSDS. Further disbursements will be triggered by RMCs achieving agreed milestones or targets. As with both previous phases, the disbursement arrangements for the program at the SRO level will use the Special Account and the Direct Payment methods, in accordance with ADF procedures.

4.1.4 *Procurement:* Procurement arrangements for Phase III will be identical to those used in Phases I and II. All procurement of goods and works and acquisition of consulting services financed by the Bank will be in accordance with the Bank's *Rules of Procedure for Procurement of Goods and Works* or, as appropriate, *Rules of Procedure for the Use of Consultants*, using the relevant Bank Standard Bidding Documents. The Program Management Unit at each level will be responsible for the procurement of goods, non-consulting services, training and miscellaneous items as detailed in Annex Table 1 of the Technical Annexes.

4.1.5 Financial Management and Audit: Financial management responsibilities of this program will be assured at the country level by national statistical agencies, at the sub-regional level by SROs (AFRISAT, COMESA, ECA, ECCAS, ECOWAS, and SADC) and STCs, and at the regional level by the Bank (ESTA). A desk review was conducted to assess the financial management capacity of these implementing organizations (except for ECA and ECCAS secretariat that are participating for the first time in an SRO capacity) at the three different levels, but it was limited to the documentation available. The SADC Secretariat continues to show supervisory weaknesses relative to payment procedures and financial reconciliations. Those of AFRISAT encounter difficulties in cash management, and submit their budgets, interim financial reports and supporting documents with delays. Staff constraints are noted at the level of NSOs in RMCs. Insufficient internal controls are detected in the STCs of EASTC in Tanzania and ISAE in Uganda. In general, the financial information is reliable for all the implementing organizations but it is submitted to the Bank with delays through audit reports. For the regional level (the Bank) and COMESA, it is presented in the form of special purpose financial statements, which are not intended to be a presentation in conformity with a recognized accounting framework, such as IFRS. On the basis of above, the rating of the global fiduciary risk is substantial, which could be moderate if the following risk-mitigating measures were implemented satisfactorily.

4.1.6 Financial management arrangements: These are as follows: (i) Following an advance to commence activities, further disbursements will be triggered by RMCs achieving agreed milestones or targets; as in the first two phases, NSOs will justify disbursements by submitting quarterly financial statements to their SROs; in turn, the SROs will submit their own financial statements to the Bank; (ii) a qualified accounting assistant will be designated to be a member of the program team inside the NSOs, as required; (iii) The financial management procedures will be formalized and the accounting system will be computerized at the RMCs level if need be; (iv) The quarterly financial statements will include: sources and uses of funds, use of funds by Program activities, a procurement progress report, and a review of physical progress; (v) The annual financial statements of the program will be prepared in accordance with internationally accepted accounting principles; (vi) Independent audit institutions (public or private) acceptable to the ADF will carry out annual audits of the program (at regional, sub-regional and national levels) in conformity with the Bank's TORs.

4.2 Monitoring

4.2.1 As with Phases I and II, the physical progress and the corresponding utilization of ADF resources – disbursed either directly to SROs or to RMCs through SROs – will be monitored as follows. The AfDB will supervise work in SROs and STCs. It will also supervise work in RMCs, with the assistance of the SROs and STCs. The NSOs will assist in supervising activities throughout the national statistical systems. Although most NSOs do not have specialist monitoring and evaluation staff, many statistical personnel have experience in monitoring systems in other areas. At the national level, monitoring will be based on the indicators and processes set out in the NSDS. All monitoring mechanisms will be subject to regular supervision by the Bank and by SRO and STC staff through field missions, regular progress reports, and annual audit and financial statements. In addition, recourse will be made to the supervision reports prepared by other partners such as ECA, AUC, ACBF, World Bank, DFID, UNICEF, and UNDP for components that they cofinance. There will be a midterm evaluation of the program to permit corrections if deemed necessary.

4.3 Governance

4.3.1 The program will be managed using the same processes and mechanisms that were put in place under the first two phases and as modified in paragraph 4.1.6. Overall coordination of statistical capacity building at the regional level will come under the purview of the Statistical Commission for Africa which brings together all Heads of NSOs in Africa to review progress in statistical development in the region. At the subregional level, progress will be monitored and discussed through existing subregional coordination mechanisms including the African Statistical Coordination Committee (ASCC), which is chaired jointly by the AfDB and ECA. It comprises the four regional institutions (AfDB, AU, ECA, and ACBF); the subregional organizations (AFRISTAT, COMESA, ECOWAS, SADC); the six African Statistical Training Centers, and selected African countries. The ASCC meets at least twice a year to discuss mechanisms for achieving greater synergy among the institutions, and to coordinate statistical programs and activities in various countries. This is done with a view to enhancing and sustaining the effectiveness of statistical support to African countries.

4.4 Sustainability

4.4.1 The program is part of the worldwide statistical capacity building plan – the Busan Action Plan for Statistics (BAPS) – which was endorsed at the High-Level Forum on Aid Effectiveness, which took place in Busan, South Korea, from November 28 to December 2, 2011. It will be implemented within the framework of the RRSF, under the country-owned NSDS, which is the statistical platform for poverty reduction strategies. The NSDS provides an effective mechanism for building statistical capacity on a sustainable basis, as part of overall national development policy. Governments and donors generally have expressed strong commitment to BAPS, the results agenda, and to the monitoring of MDGs; this should ensure adequate budgetary provisions and the sustainability of the program. RMCs contributed to Phases I and II and are committed to participate in Phase III. In addition, the coordination role of the SROs will facilitate the sharing of best practices and agreed standards for statistical activities.

4.4.2 The program builds on the achievements of the first two phases and the extent to which improvements in statistical capacity put in place since 2004 have been sustained. For example, significant improvements have been seen in the areas of focus of phase 1, especially price and national income statistics as well as in strategic planning. The most recent report on NSDSs from PARIS21⁹ indicates that 24 out of the 40 low-income African countries (60 percent) are implementing an NSDS, while 13 (32.5 percent) are currently designing a strategy or awaiting adoption; 2 countries (5 percent) have expired strategy or are without strategy and currently planning an NSDS; and one country (2.5 percent) was without a strategy and not planning one. At the same time, the coverage of statistics to monitor progress towards the Millennium Development Goals has increased significantly.

⁹ *National Strategies for the Development of Statistics Progress Report, PARIS21, OECD, Paris, November 2011.*

4.5 Risk management

4.5.1 The six major risks and mitigation measures may be summarized as follows:

- i. *Governments and other users may not trust or use statistics to strengthen policy.*
Mitigation: This will be addressed by supporting RMCs and other statistical agencies to compile and disseminate statistics, in line with regional and international standards and recommendations.
- ii. *RMCs may be unwilling to give priority to financing statistical systems to sustain improvements in performance.*
Mitigation: This will be addressed by the adoption of the NSDS, which commits RMC governments to accord high priority to statistical development activities, including adequate budgetary provisions.
- iii. *RMCs may be unwilling or unable to implement plans for improvement owing to manpower or budgetary constraints.*
Mitigation: This will also be addressed by the NSDS, which covers training, the retention of staff, and which identifies feasible budgets.
- iv. *Development partners may not deliver on the expected financing.*
Mitigation: Development partners have demonstrated a strong and continuing commitment to the results agenda, the Busan Action Plan for Statistics, and MDG monitoring in RMCs.
- v. *Aid may be fragmented and coordination may suffer as a result of the many different organizations involved in the program.*
Mitigation: This will be addressed by the adoption of the NSDS as the common implementation and coordination framework.
- vi. *SROs and STCs may not have the capacity to support, monitor, and supervise the program in RMCs.*
Mitigation: The capacity of SROs and STCs has already been strengthened in the first two phases of the program; further training and technical support will be provided in the third phase. In SADC countries, grants to countries will be managed directly by the Bank. In the ECOWAS subregion, further training and technical support will be provided to the Secretariat to ensure that they have the capacity to manage and supervise the program.

4.6 Knowledge building

4.6.1 The program will generate better-quality, timely, and reliable socioeconomic data derived from strengthening statistical systems in RMCs. Improved data systems will lead to a better understanding of development challenges in RMCs, which, in turn will lead to improved policy and strategy design, results measurement and reporting, as well as MDGs monitoring. The program will also contribute to better supervision and monitoring of Bank operations.

4.6.2 The main data dissemination vehicle at the regional level will be the Bank's enhanced Data Portal, which is a web-based system that provides all Bank staff and external users easy online access to a wide range of development data managed by the institution. The system also incorporates a results reporting feature to facilitate real-time monitoring of results achieved in Bank operations. The Bank will also disseminate data through its regular publications, which are increasingly provided in electronic format. In line with the

recommendations of the Busan Action Plan for Statistics, all beneficiaries will be encouraged to follow open-data principles when compiling and disseminating statistical information.

V. LEGAL INSTRUMENTS AND AUTHORITY

5.1 *Legal instrument*

5.1.1 The proposed intervention instrument will be a grant from the ADF-12 Allocation for Regional Operations. The overall management of the grant will rest with the Program Implementation Unit at the regional level. The Bank will sign separate Protocols of Agreement with each implementing subregional organization (AFRISTAT, COMESA, EAC, ECCAS, ECOWAS, and SADC) and with those Statistical Training Centers that will be carrying out regional and subregional training programs. The SROs will in turn sign similar Agreements with each participating country under their jurisdiction.

5.1.2 The program meets the eligibility criteria of a Regional Public Good of non-rivalry and non-exclusivity.¹⁰ It will have positive spillover benefits for all RMCs, since costs will be significantly reduced due to the pooling of resources. The program seeks to promote the harmonization of statistical data and methodologies across the region in line with international standards and best practice, thereby adhering to the regionality criterion for resource allocation under the mechanism.

5.1.3 The components of the program set out in Table 2 will be delivered through technical assistance, training, and grants to countries for specific investments in statistical capacity. Grants will be delivered through SROs for the member states covered by AFRISTAT, COMESA, and ECOWAS. Funds will flow from AfDB to the SROs and thence to countries on the basis of an agreed implementation plan and the achievement of predetermined milestones and targets. For countries in the SADC subregion, grants will be disbursed directly by ESTA, on the basis of milestones and targets supervised by the SADC Secretariat. For EAC and ECCAS, their participation will be technical with emphasis on building their capacity so that they can provide the necessary support in future. For STCs, finance for training activities will flow from ESTA to them on the basis of agreed implementation plans. Technical assistance funds will be managed directly by ESTA.

5.2 *Conditions associated with the Bank's intervention*

5.2.1 This is a follow-up program with no major change in the existing conditions. The entry into force of the Agreement is subject to section 10.01 of the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Funds.

5.3 *Compliance with Bank policies*

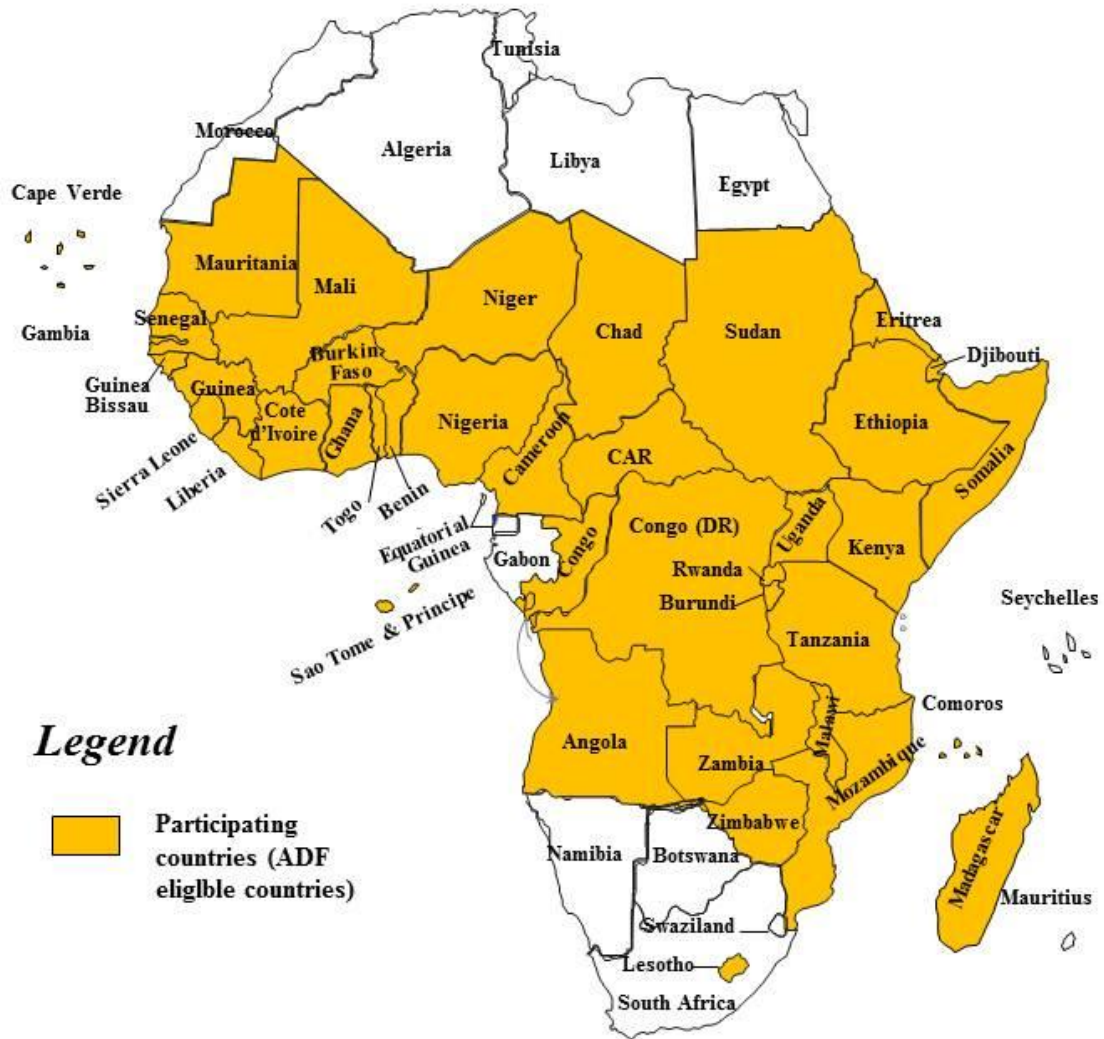
5.3.1 This program complies with all applicable Bank policies. There are no non-standard conditions.

¹⁰ Once the good has been produced, the benefits accrue to all participating countries at a relative minimal additional cost (of production) and the consumption of the good by one country does not diminish consumption by others and other RMCs cannot be excluded from benefiting.

VI. RECOMMENDATION

6.1 Management recommends that the Board of Directors approve the proposed grant of UA 20 million to participating ADF-eligible RMCs for the purpose of implementing the program as described in this report and subject to the conditions stipulated therein.

APPENDICE : MAP OF PROGRAM AREA



Legend

- Participating countries (ADF eligible countries)

DISCLAIMER

This map was provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members and judgement concerning the legal status of a territory nor any approval or acceptance of these borders.