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

Concept Stage | Date Prepared/Updated: 20-Jan-2017 | Report No: PIDISDSC21114

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Mozambique	P162621		Mozambique National Statistics and Data for Development (P162621)
Region	Estimated Appraisal Date	Estimated Board Date	Practice Area (Lead)
AFRICA	Apr 24, 2017	Jul 06, 2017	Poverty and Equity
Lending Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Ministerio da Economia e Financas	Instituto Nacional de Estatisticas,Ministerio da Economia e Financas,Ministerio dos Transportes e Comunicacoes	

Proposed Development Objective(s)

The development objective is to improve the production and dissemination of quality socioeconomic statistics and support the use of data in evidence based-policy making through improved capacity for spatial development planning and aid data management.

Financing (in USD Million)

Financing Source	Amount
IDA Grant	55.00
Total Project Cost	**55.00**

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

Other Decision (as needed)

B. Introduction and Context

Country Context

1.   **Over the past two decades Mozambique enjoyed robust and accelerating economic growth.** Mozambique is a southeast African low-income country with an estimated population of 22.9 million. Following the end of the civil war a combination of relatively sound macroeconomic management, large-scale foreign investment projects and substantial donor support enabled the country to grow fast, expanding by an average of 7.9 percent per year (1993- 2014), one of the fastest rates in Sub-Saharan Africa (SAA). The patterns of growth have evolved over time. Post-war reconstruction (1993-1997) led to the incorporation of more workers into agriculture, supporting economy-wide growth. After 1998, however, capital-intensive megaprojects focused on the country's natural resources have dominated the growth pattern, but generated limited formal employment opportunities.

2.   **Mozambique has not been successful in translating this high growth into equally strong poverty reduction**. Each percentage point of growth has reduced poverty in Mozambique by half of the reduction recorded in SSA. In spite of the poverty incidence going down, official data indicates that close to half of the Mozambican population (46.1 percent) still lived in poverty in 2014/15. Additionally, performance in poverty reduction has been uneven across regions, with some parts of the country –especially the center and the north– accounting for a disproportionate share of the poor.

3.   **Recently, Mozambique's economic performance has slowed down due to low commodity prices, drought, conflict and the discovery of previously undisclosed debts**. These factors are contributing to slower growth, higher prices and a weaker currency. The metical depreciated by over 40 percent against the US dollar in 2016, leading to a rapid acceleration of inflation. Inflation has been especially high for the poor as food products account for a dominant share of their consumption basket. In addition, the El Niño phenomenon has caused the worst drought in the country in 35 years. Promoting broad-based growth and inclusiveness requires addressing a number of challenges ranging from very limited economic diversification, low productivity in existing sectors, inadequate physical, human and institutional capital, a weak governance environment, and unequal regional allocation and low quality of public spending.

4.   **Effective economic management requires timely and quality data and analysis for evidence based policy making.** The National Development Strategy 2015-2035, the Government program and medium term strategy 2015-19, and the National Strategy for the Development of Statistics (NSDS) 2013-2017/19 recognize that the availability of reliable, accessible, and timely data is necessary to inform the development policies and programs that will support the foundation for sustained economic growth and poverty reduction. Recent years have seen remarkable progress in the design, collection, elaboration and dissemination of data and statistics across the National Statistical System (NSS). Yet, important challenges in the NSS (financial, physical and statistical infrastructure and human capital, among others) are still pending to provide quality and timely statistics and services that support evidence-based policy, planning, decision-making, good governance, and development initiatives.

5.   **To design economic policies that adequately address regional disparities, geographically disaggregated data is needed.** Currently, few national agencies produce comprehensive spatially disaggregated data, even fewer institutions have developed platforms to integrate available geo-referenced information with analogous data from other agencies. Moreover, there is little awareness among decision makers about the strategic relevance of cross-sectoral spatial analysis for evidence-based planning. Another obstacle is the shortage of technical skills required for geo-reference planning systems.

6.   **Finally, the implementation of government policies requires integrated management of the full revenue envelope available to the government.** The recent "hidden debt" crisis has shed light on important weaknesses in the

management of public finances. The World Bank is supporting the Government of Mozambique through various technical assistance programs to strengthen the monitoring and efficient use of public resources. In 2014, 66% of total official development assistance (ODA) --equaling US$ 1.39 billion-- was off budget. The efficient use of this aid money is not only in the interest of donors, but also in the interest of the government. To ensure their efficient use, an effective integration of all aid flows into the national planning and budgeting process is needed. While tasked with the role of capturing aid data, the Ministry of Economy and Finance (MEF) does not currently consider externally financed development projects while undertaking the national planning and budgeting process.

Sectoral and Institutional Context

7.   **The National Statistics Institute (INE for its acronym in Portuguese) is the main official provider of statistics in Mozambique.** The Presidential Decree No. 9 of 1996 created INE as a semi-autonomous institution operating under the Ministry of Economy and Finance. As the nodal institution of the National Statistical System (NSS), INE is in charge of coordinating the national policy on statistics and the development of the NSS. INE is also the main government agency responsible for the production and dissemination of official statistics required to guide the development policy of the country. INE's statistical production and dissemination focuses on (i) population statistics, (ii) poverty and social statistics, (iii) economic statistics, (iv) business and industry statistics and (v) geo-information services. To fulfill that responsibility, INE collects data from primary sources through frequent censuses, surveys and administrative data and compiles secondary information from other data producers. Other important members in the governance structure of the NSS are the Central Bank of Mozambique and the Population Census Coordinating Council. In addition to INE, other government ministries, departments and agencies as well as provincial governments are also part of the NSS. Some of them generate a significant amount of administrative data as a by-product of their own operations.

8.   **Mozambique has a tradition of strategic planning to guide the country's statistical development.** The country launched its first five-year National Strategy for the Development of Statistics (NSDS1) in 1997. The NSDS1 has been followed by three subsequent strategies: NSDS2 (2003-2007), NSDS3 (2008-2012) and the current one, NSDS4 (2013-2017).[1] The current NSDS sets out as the main objectives: (i) *strengthening the production and dissemination of timely quality statistics*, including economic, demographic, social and vital statistics as well as other standard indicators to monitor progress of major development programs and strategies, with a strong emphasis on the household welfare surveys and the fourth population and housing census planned for 2017; (ii) *coordination of the production and quality of statistics*, focusing on processes within the NSS to facilitate, harmonize and simplify the collection of statistical data and developing a quality assurance framework; and (iii) *sustainable institutional capacity building* by developing an incentive-based performance and training system that ensures a constant inflow and high retention of skilled and motivated staff into the NSS.

9.   **In spite of progress attained in recent years, the NSS faces a number of challenges to achieve the objectives set out in the NSDS4.** The main challenges identified in the strategic plan and recent discussions with INE include the following:
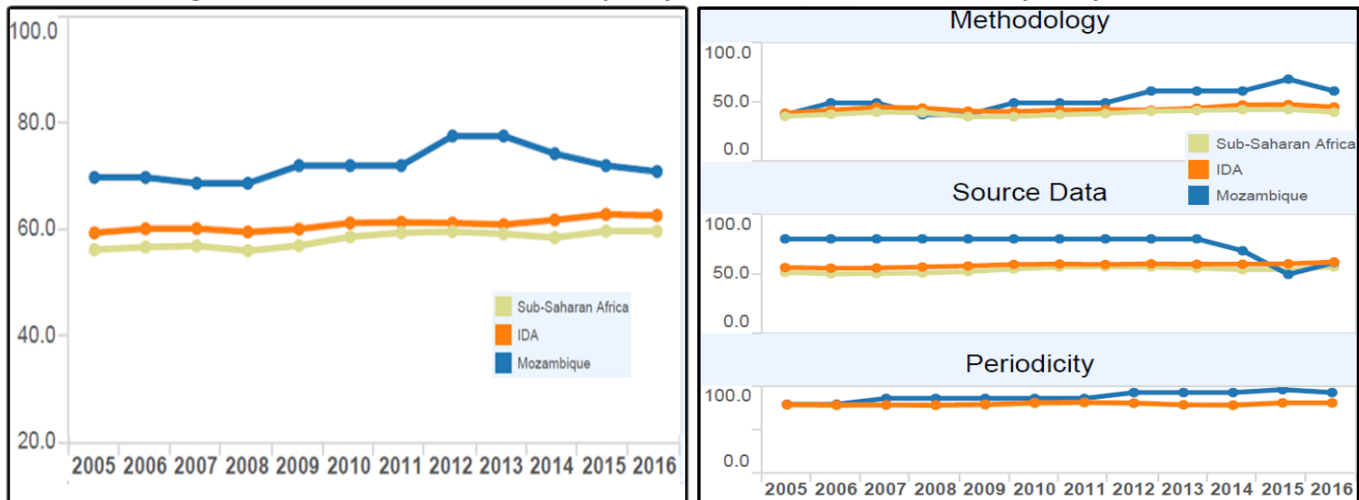
   a) Data collection, processing, storage and analysis;
   b) Human, physical (primarily ICT) and statistical infrastructure;
   c) Dissemination, timeliness and accessibility to data and statistics;
   d) Technical capacity limitations;
   e) Adequate and predictable funding for statistics,
   f) Staffing gaps, professional development strategies and training on statistics

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[1] INE, as the focal point for the NSS, is considering the extension of NSDS3 for two or three more years.

10.   **Progress in statistical development in Mozambique as measured by the Statistical Capacity Indicator (SCI) appears to have stalled in recent years.** According to the World Bank's 2016 Country Statistical Information Database, Mozambique has an overall SCI score of 71.1, still above the SSA average of 59.9[2], explained by higher periodicity of the data and better statistical methodology[3] (Figure 1, left panel). However, in the last five years the SCI for Mozambique has been falling steadily from a score of 77.8 in 2012. The decline in the score is driven by reduced availability of survey and population census data that are used to measure key socioeconomic indicators and by the frequency of these indicators (Figure 2, right panel). The current score for the availability of data ("Source Data") is at the level for SSA, while it was 24 points above in 2010. International best practices recommend that health and poverty surveys are carried out at least once every three years; however, these surveys are carried out in Mozambique every six to eight years. As a result, the information available regarding the demographic and socioeconomic characteristics of the population, including the poor do not reflect the current state of affairs, thus hampering the design of effective poverty eradication programs and development policies. Some of the sectoral statistics (public and private finance statistics, trade statistics, industrial statistics, price statistics, etc.) are insufficient and of low quality to assess the performance of the economy.

Figure 1: Trends in the Statistical Capacity Indicator (SCI) – Total and by components

Note: Panel on the left shows the trend for the total SCI and panel on the right shows the trends for each of the three components of the SCI.
Source: Statistical Capacity Indicator database (2016)

11.   **The current most pressing challenges in the NSS constraining the achievement of the objectives set out in the NSDS include the new population census, the program of household surveys, technical capacity on economics and social statistics, statistical coordination and institutional strengthening**. It is recommended that the population census be conducted at least every 10 years. The last population census in Mozambique is from 2007 but substantial changes associated with population dynamics and settlements in recent years are rendering the data outdated. They also undermine the accuracy of statistics that incorporate population dimensions, including macroeconomic statistics (such as GDP per capita), service access, and poverty measurements. Mozambique's fourth population census is scheduled for

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[2] The Statistical Capacity Indicator (SCI) is based on a diagnostic framework developed with a view to assessing the capacity of national statistical systems using metadata information generally available for most countries, and monitoring progress in statistical capacity building over time. The framework has three dimensions: statistical methodology; source data; and periodicity and timeliness
[3] For instance, more recent methodologies for the compilation of balance of payment statistics, year base for the consumer price index and the reporting status of external debts.

August 2017 but lack of funding and technical assistance are putting at risk its implementation and quality. Households surveys used to measure poverty and track the evolution of other socioeconomic indicators are collected infrequently (every 6 or 7 years) and survey design, collection and analysis issues hinder the accuracy of the data. Data, methodological and technical capacity gaps limit the coverage and quality of national accounts, price indicators, trade statistics, poverty rates, labor force and other socioeconomic indicators to adequately reflect the economic activity of the country and the evolution of development outcomes. INE also lacks the physical and human resources required to effectively perform its growing coordination and quality control responsibilities with respect to other actors of the NSS.

12.   **Besides issues that constrain the production of statistics, there are also challenges to mainstreaming the use of available data for development planning across government agencies**. National development planning across different government levels and sectors can contribute to increasing the effectiveness and efficiency of public policies and programs in Mozambique. As in many countries, it is particularly challenging for the government to manage and maximize the impact of a large, diverse, and geographically-spread portfolio of investments. With the absence of adequate cross-sectoral policy research, planning and portfolio management, there is a very high risk of waste, misuse or under allocation public resources. Lack of cross-sectoral integration and coordination also undermines the impact of investments as each project is developed and executed without taking into consideration synergies with the investments in other sectors.

13.   **Between 2011 and 2015, the Government of Mozambique –with support from the World Bank[4]– conceptualized and developed the National Inter-Agency Spatial Planning Platform (PDE)**. The PDE platform comprises a state-of-the-art multisector national GIS, a Spatial Development Planning Unit under the Ministry of Transport and Communication (MTC) and an Inter-Ministerial Coordination Committee. The PDE is intended to foster cross-sectoral spatial development planning by integrating, analyzing and providing access to geo-referenced national statistics and sectoral data from national ministries and agencies. The GIS stores an extensive database and a large catalogue of high-definition satellite images, covering national and sectoral censuses and household surveys, geographic information (for example, administrative boundaries, hydrology, topography, geology, etc.), land use, ICT networks and public infrastructure (such as roads, rails, health and education facilities), among others. In the past, statistics, sectoral data, and satellite photos were fragmented and difficult to access as they were produced and managed by different agencies, using different systems and protocols. The GIS not only creates one point of access for all relevant spatial data, but also offers sophisticated analytical applications to facilitate cross-sectoral development planning.

14.   **While a new spatial development planning system was developed with technical assistance from the World Bank, the system has not been mainstreamed into other sectors, and remains to be effectively institutionalized.** The Government invested significant resources in the conceptualization and development of the Inter-Agency National GIS. Even though the GIS was launched by President Nyusi in October 2016, the Spatial Development Planning Technical Assistance (SDP TA) closed in December 2015. The platform has not yet gained much traction in ministries and national agencies outside MTC. Further efforts are required to build capacity in the utilization of the platform across the main ministries and national and subnational agencies and avoid fragmentation and inefficiencies in current spatial development planning practices. Different governmental entities and private organizations will continue to develop their own GIS's in an uncoordinated manner, wasting resources with multiple licenses, satellite images, and producing data without common protocols. It is important for the Government to formulate and implement a National Spatial Development Infrastructure Strategy to expand the capabilities (data, services, and applications) of the GIS system; build

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[4] The World Bank assisted the Government of Mozambique in implementing the Spatial Development Planning Technical Assistance (SDP TA - P121398) program from 2011 to 2015. The project PDO was to provide financial and technical assistance to improve national social and economic development planning through the introduction, institutionalization and mainstreaming of multi-sectorial spatial development planning methodologies and practices.

capacity on spatial development planning across key sectors (applying spatial planning in policy formulation, program design, planning, monitoring and evaluation), and strengthen the institutional framework (effective leadership, governance and management) underpinning national geospatial development planning.

15.   Furthermore, Mozambique remains an aid dependent country and a lack of comprehensive data on aid flows limits the transparency, efficiency, and effectiveness of foreign and domestic resource spending. According to the OECD, Mozambique is the sixth largest recipient of official development assistance (ODA) in Africa (UNDP, 2015) and World Bank data shows that net ODA accounted for 12.6 percent of gross national income (GNI) in 2014. However, in spite of significant improvements in public finance management over the past decade,[5] the Government does not have a comprehensive grasp of overall aid flows into the country, in particular off-budget commitments, disbursements, and expenditures. ODAmoz, the country's aid information management system (AIMS) designed to capture aid data, is inadequate in large part because it does not use Mozambique's Chart of Accounts fields. This incompatibility complicates the integration of aid data with official budget data, meaning that the national budgeting and planning process results in decisions about domestic resource development allocation and use that have not taken into account externally financed development spending, which totaled over US$2.2 billion in 2015. The systematic lack of use of aid data has decreased the incentive of development partners to report the data to MEF, as well as the incentive of MEF itself to capture and manage that data, creating this suboptimal status quo of low data reporting, capture, management and analysis, undermining the overall government finance statistics. MEF's Directorate of Cooperation (DC) holds the mandate to manage aid data and oversee ODAmoz, but other key actors are needed to ensure improved aid data management, such as MEF's National Directorate of Planning and Budgeting (DNPO).

Relationship to CPF

16.   The proposed project is consistent with the priorities outlined in the Mozambique Country Partnership Framework (CPF) for the period FY17-21. The CPF sets out three broad strategic focus areas: (i) Promoting Diversified Growth; (ii) Investing in Human Capital; and (iii) Enhancing Sustainability. The CPF focus areas and objectives are broadly aligned with the Five-Year Development Plan (PQG) and the Bank Groups' twin goals of poverty reduction and shared prosperity. Considering the contribution of the proposed project to evidence-based policy making, this operation – explicitly included as a priority project in the CPF – contributes to several objectives underpinning the three focus areas: improving public service delivery, enhancing management of public investments, increasing accountability and transparency of government institutions and promoting inclusive urbanization and decentralization. In addition, the proposed operation supports the WBG's commitment to fill the data gaps that are key to monitoring progress on Poverty and Shared Prosperity and the SDGs. Besides contributing to the CPF outcomes, the proposed project's aid data and spatial development planning subcomponents also support the Government's program and medium term strategy, as articulated in the PQG. They contribute to enabling more effective and efficient domestic resource allocation in the national planning and budgeting processes, help avoid duplication of donor efforts and facilitate the harmonization of donor projects with key policy priorities.

C. Proposed Development Objective(s)

The development objective is to improve the production and dissemination of quality socioeconomic statistics and support the use of data in evidence based-policy making through improved capacity for spatial development planning and aid data management.

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[5] Such as expansion of the e-SISTAFE information technology platform to cover budget preparation and execution, the reporting of expenditures, the creation of single treasure account and the updating of the procurement decree in 2016 to align it with best international practices.

Key Results (From PCN)

17.   The main outcome will be improved quality and reliability of key statistics produced and disseminated by INE and enhanced aid data management and spatial development planning capacity for evidence-based policy making. The progress towards the PDO will be measured by:

1) Increase in the Statistical Capacity Index (SCI)
2) Number of statistical products supported by the project that are designed and implemented in line with international standards
3) Number of statistical products that are released according to the release calendar
4) Number of census and survey datasets anonymized and accessible through INE's portal
5) Increase in the quality of national accounts by (i) coverage of the formal and informal sectors, (ii) geographic coverage and basket of the CPI, (iii) updated and published description of sources and methods, (iv) coverage of external trade statistics, and (v) rebasing to year 2015
6) Increase in the number of geospatial data and analytical applications available through an enhanced PDE platform;
7) Increase in the number of institutions that use the Spatial Development Platform in the formulation and monitoring of their policies.
8) Percentage of aid data captured by MEF;
9) Percentage of aid data managed through the national planning and budgeting procedures of the government.

D. Concept Description

18.   The proposed project activities will focus on the core features to produce quality, timely and reliable statistics, and to enable cross-sectoral evidence-based development policy making. The proposed project is structured around the following components: (1) INE Institutional Reform and Capacity Building; (2) Data Collection, Analysis and Dissemination; (3) Mainstreaming Spatial Development Planning; (4) Aid Data Management for Enhanced Planning and Budgeting and (5) Project Management. The project is proposed to have a duration of five years starting with the approval of the project by World Bank and the Government of Mozambique. INE in its role as provider of official statistics in Mozambique was identified as the main direct beneficiary of the activities under components 1 and 2, which are anchored in the NSDS. MTC is the main direct beneficiary of Component 3 and MEF is the main direct beneficiary of Component 4. The activities in the project were selected according to the Government demand and consistent with the following three criteria: (i) core features of a modern statistical system; (ii) aligned with the WBG's comparative advantage in technical assistance; and (iii) closing critical data and development planning gaps to inform policies and programs in Mozambique.

Component 1: INE Institutional Strengthening and Capacity Building (Total of US$4 million)

19.   Component 1 will support INE to create the enabling environment necessary to fulfill its mandate. The component will support foundational human resources and ICT infrastructure as well as improved institutional arrangements that are conducive for INE to coordinate and lead the NSS**.**

Sub-component 1.1: Improving human resources, technical capacity and staffing (US$1.5 million)

20.   **A skilled workforce is a key element for the development of high quality statistics and for the sustainability of the project outcomes**. Through this sub-component, the project will invest in implementing a training and skill enhancement program for existing staff based on a training needs assessment. This component is focused on skill development in areas that are complementary to technical training inherent to the data collection and statistical production activities supported by the project. This includes, for instance, the elaboration and updating of master sample frames, use of satellite data, survey-to-survey imputation techniques and other capacity gaps as identified by the training needs assessment.

21.   **Additionally, in an effort to strengthen capacity building, INE plans to refine and execute its strategy for human resource development and staffing.** The objective is to address aspects related to staffing needs, professional development, performance and remuneration and succession planning. INE also plans to expand and enhance the training programs at the National School of Statistics. The training curriculum will focus more on the elaboration of key official statistics and will target staff at INE and other data producing government ministries and departments. Additionally, many of the professional and technical staff at INE are nearing the retirement age and there is lack of adequate succession planning. To fill the pending gap, there would be need for comprehensive training of INE younger cohorts or the recruitment of new staff. It should be noted that due to fiscal constraints, the Government has instituted a moratorium on hiring. Hence, INE would need financial assistance to train and/or recruit new staff.

The main activities under this subcomponent include:

   a) Conduct training needs assessments
   b) Develop training plan for staff of INE and the NSS
   c) Train staff in relevant areas of statistics and also include training in management, ICT and GIS.
   d) Develop performance, remuneration and succession planning
   e) Recruit and train new staff
   f) Draft statistical compendia for respective INE delegated organs

   Sub-component 1.2: Strengthening the coordination and quality assurance role of INE across the NSS (US$0.5 million)

22.   **Mozambique's NSS Strategic Plan 2013-2017 highlights the need for better coordination of the production of quality statistics**. Coordination of statistical activities in the country is important to avoid redundancies, create synergies by complementary activities and ensure high quality standards. INE is the lead agency with the responsibility of coordinating the NSS. INE has 11 offices at the provincial level and 128 rural focal points of statistics production. Several other institutions outside INE are also part of the NSS, many of them with assigned competences for collecting, producing and publishing official statistics for the respective sector. As the nodal point of the NSS, INE is responsible for providing technical and methodological guidance to the other members. However, inter-sectoral coordination is weak and as coordinator of the NSS, INE would need to play a more significant role in strengthening the coordination and ensuring that standards, methodologies and guiding principles of official statistics are observed in the production of statistic. This is also in light of the growing demand for statistical information, many of which rely on routine/administrative data that are required for national policy and planning, as well as for international comparisons. The project will support the establishment of a forum for statistical coordination among Government institutions and development partners with INE as the pivotal institution, the creation of mechanisms to harmonize data production and reporting within INE (especially with the regional offices) and across the NSS, and further defining and implementing mechanisms for quality control and increasing INE's technical and human capacity to fulfil its quality assurance role.

The main activities under this subcomponent include:
   a) Review or establish coordination and quality assurance mechanism for the NSS
   b) Strengthen INE with appropriate structure to effectively coordinate and ensure quality across the NSS
   c) Promote statistical awareness among NSS through workshops and scheduled meetings

Subcomponent 1.3: ICT and Statistical Infrastructure (US$2 million)

23.   The availability of timely and quality statistics requires the technical set up to collect, process and disseminate data. Based on an assessment of the existing Infrastructure and Communication Technologies (ICT) at INE, the project will finance the needed upgrade of the ICT infrastructure to ensure efficient workflows for data collection, processing, analysis, dissemination and archiving, including a micro-data library as well as modern GIS processing and storage. This will focus primarily on the data collection or statistical production activities supported by the project. This subcomponent will also support the ICT infrastructure required to undertake some in-house training activities.

The main activities under this subcomponent include:
   a) Upgrade ICT infrastructure at INE

Component 2: Data Collection, Analysis and Dissemination (Total of US$40 million)

24.   The production and dissemination of quality statistics is a key component of the 2013-2017 five-year strategic plan. The last population census is from 2007 but substantial changes associated to population dynamics and settlements in recent years are rendering the data outdated. The Government launched the project for the fourth population census in 2015 and the data collection activities are planned for August, 2017 but lack of funding and technical assistance are putting at risk its implementation and quality. Additionally, in an effort to strengthening the relevance and quality of its program of household surveys and production of economic statistics, INE has identified some of the areas where financial assistance would be required especially at this time when the government is facing limited fiscal space. This component will therefore provide funding to support the following statistical activities: (i) Population and Housing Census (2017); (ii) Household Welfare Surveys (2018 and 2021); (iii) Piloting a high-frequency poverty measurement system; (iv) National Accounts and Consumer Price Index (CPI); and (iv) Data analysis and Dissemination.
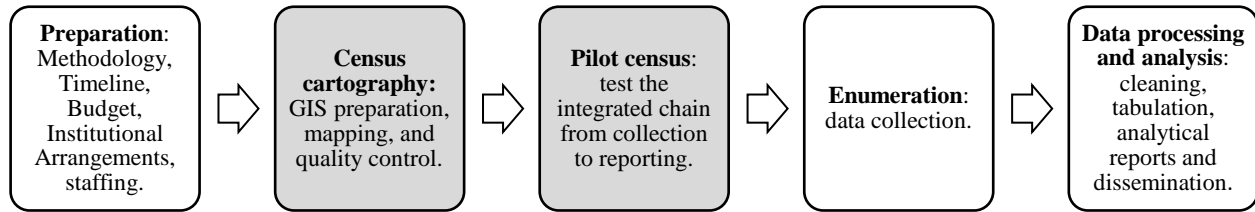
Subcomponent 2.1: Population and Housing Census (US$25 million)

25.   The 2017 population census will provide basic demographic and socio-economic data, key for the planning and monitoring of the Government's development programs. The Government launched the fourth population and housing census in 2015. In addition to providing a framework for data collection between censuses, data from the 2017 Population and Housing Census will critical to monitor key development indicators as well as for the implementation and evaluation of public policies, programs and the overall poverty reduction strategy.

26.   The population census consists of several phases that include the cartography, pilot census, enumeration and data processing and analysis. Figure 2 shows the sequence and different phases of the population census.

Figure 2: Population and Housing Census Phases

Preparation: Methodology, Timeline, Budget, Institutional Arrangements, staffing.	⇨	**Census cartography:** GIS preparation, mapping, and quality control.	⇨	**Pilot census**: test the integrated chain from collection to reporting.	⇨	**Enumeration**: data collection.	⇨	**Data processing and analysis**: cleaning, tabulation, analytical reports and dissemination.

27. **Preparatory activities are well advanced, but the estimated timeline to complete the census is very tight.** With technical assistance from UNFPA, INE completed the establishment of the governance structure, the proposed methodology, and a detailed budget and timeline. Additionally, pilot census to test the questionnaire and the data processing of the pilot were completed at the end of 2016. The updating of the census cartographic work, which seeks to produce enumeration areas for the general data collection phase, is ongoing. To date around 60 percent has been completed and the full updating is expected to be finalized by April 2017. Some of the preparatory activities, especially the update of the cartography, need to be completed in the first quarter of 2017. Other activities such as the training of enumerators and supervisors, identification of local guide and transportation logistics, among others, are planned to start soon. The enumeration phase is planned for the first two weeks of August 2017. However, the time available for the completion of the census is tight as the enumeration phase needs to correspond with the public school break schedule, since the enumerators and supervisors (over 80,000 people) will be primarily public teachers. The overall time for the census implementation is also limited by the difficulty to carry out the field work in areas in provinces such as Zambezia, Sofala, Manica and Tete provinces, where some tensions increased mainly between the opposition party's militia and state security forces.

28. **The alternatives to reschedule the census are limited.** Rescheduling the census to a later date is difficult for several reasons. Most enumerators and supervisors are school teachers and for that reason the timing of the census was set by the Government to overlap with the school break in August. Additionally, the rainy season goes from October to March and it is characterized by heavy rainfall between December and March, making difficult to physically reach some parts of the country. The local elections in 2018 and the Presidential elections in 2019 further complicate conducting the census in any of those years.

29. **Although activities that are critical to meet the desired timeframe are expected to either continue or start in the next few months, the census faces a serious budget gap**. Government financing for the census will be complemented with resources from several donors. The census is estimated to cost around US$75 million. Approximately US$9.5 million was spent on census activities in 2015 and US$14.7 million in 2016. The GoM provided most of the funding (US$20 million) for these activities while some development partners provided the rest of the funding. There remains a funding gap of US$50.8 million to meet the budget for 2017 to 2019 census activities. The expected contribution from the Government is approximately US$10 million (yet, to be confirmed by the Parliament) whereas contributions from development partners (excluding the World Bank) are anticipated to amount to about US$14.5 million. This project will provide an additional contribution of US$25 million. After the GoM, donors and World Bank contributions, a USD $1.3 million financing gap remains to be filled. In addition to the financing gap, the already committed resources are not currently available for activities that need to start immediately. The Government and the World Bank are exploring several options, including IDA retroactive financing and/or a preparation grant and consulting several other donors. Potential savings in local expenditures of the census budget created by the depreciation of the metical against the dollar are currently assessed jointly with INE.

30.   **The uncertainty in the financing for the activities expected to start immediately, the large mobilization of human, financial, and material resources required in a short period of time, the need to carry out lengthy fiduciary processes, and the limited capacity at INE could delay the implementation of the census.** The enumeration phase of the census will mobilize nearly 80,000 people, including 65,000 enumerators and around 15,000 supervisors and controllers and over 15 million paper questionnaires to be dispatched around the different regions of the country. In addition to the urgency to secure the financing for the upcoming activities such as continuing to update the GIS, communication and awareness campaigns, selection and training of enumerators and supervisors, etc., the fiduciary controls are lengthy and should start immediately, if the census is to be completed in the proposed timeline. Financing these activities with retroactive financing and/or a preparation grant requires training INE on the new WBG procurement guidelines, which might result in additional delays; this is particularly important given the limited experience of INE implementing Bank-financed projects.

The main activities under this subcomponent include:
a) Preparation for census enumeration
b) Census enumeration
c) Data processing, analysis and dissemination

Subcomponent 2.2: Household welfare surveys (IOFs) in 2018 and 2021 (US$10 million)

31.   **The Government's goal to reduce poverty is articulated in its Five Year Program (PQG), Action Plan for Poverty Reduction (PARP) and its long term vision - the Agenda 2025**. Therefore, it has supported statistical activities that produces key poverty indicators required for the monitoring the progress toward achieving these poverty goals. INE has conducted four Household Budgetary Surveys (IOF) in 1996/1997, 2002/2003, 2008/2009 and the most recent in 2014/15 (IV IOF). The Ministry of Finance and Planning (MEF), with technical assistance from the University of Copenhagen and UN-Wider) has the responsibility of producing poverty estimates and analysis. However, INE expressed an interest and willingness to develop the technical capacity of its own staff to take over this responsibility and generate these estimates on their own. This would align INE with practices followed in most national statistical institutions in other parts of the world. The implementation of the two surveys in 2018 and 2021 will give INE staff the opportunity to build capacity in generating poverty estimates. This will also shorten the number of years between surveys making poverty indicators more frequently available for tracking progress towards reducing poverty, in line with international standards.[6]

32.   **This sub-component will also support a technical assessment to uncover the factors driving the underreporting of expenditures in existing household welfare surveys.** There are concerns in the government (including INE) and among development partners that the current household welfare survey, like the previous ones, has a structural problem in capturing consumption, which has been grossly under-reported. In discussions with the government it was noted that apparently the underreporting has worsened in the current survey compared to the previous ones. This has seriously compromised the potential for producing accurate estimates of monetary poverty. Another feature of the IOF-2014/15 that further undermines the use of the data for analysis is the panel aspect of the survey. High attrition rates among respondents in the poorest parts of the country are adversely affecting the comparability of data. The findings from this technical assessment would lead to improved data quality for more reliable poverty estimates.

The main activities under this subcomponent include:

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[6] International standards refers to the "World Bank Shared Strategy for Household Surveys: Tracking the Twin Goals and Informing Investment and Policy Decisions" and "Household Surveys at the World Bank: Protocol for Data Collection, Quality Assurance, and Standard Setting".

a) IOF 2018
b) IOF 2021
c) Technical assessment on underreporting expenditures in IOFs

Subcomponent 2.3: Piloting a high-frequency poverty measurement system (US$2 million)

33. **Aware of the paucity of detailed data on household welfare, the GoM is interested in developing a mechanism to measure poverty in a timely manner using a shorter survey and imputation techniques.** Collecting detailed, high quality data on household incomes and expenditures is costly, time consuming and requires strong technical capacity. For that reason, the objective of this activity is to develop a lighter household survey in 2019 or 2020 (without including income and expenditure data) to track the evolution of poverty possibly using imputation techniques. At the same time, a shorter multi-purpose survey could provide data for various social and economic indicators to monitor the development of the country. The results of this survey will provide post 2017 Census estimates on population, housing and household characteristics in addition to poverty indicators to track Mozambique's progress in achieving its poverty reduction goals. INE developed in the past a lighter survey with similar purposes but its design needs to be revisited to further reduce the length of the questionnaire, revise its geographical coverage and strengthen its focus on variables that are strong determinants of household consumption.

The main activity under this subcomponent includes:
a) High-frequency poverty measurement survey pilot

Subcomponent 2.4: National Accounts and Consumer Price Indicators (US$2 million)

34. **The GoM has requested support to strengthen the relevance and quality of its national accounts and price indicators to accurately reflect the structure and dynamics of the economy.** Data, methodological and technical capacity gaps limit the coverage and quality of national accounts. Currently, national accounts are estimated based on incomplete data such as missing informal sector data and retail statistics mostly limited to Maputo. Preparations are in place to rebase the national accounts to base year 2015 –from base year 2007. However, the process faces several constraints: (i) the low response rates in the enterprise survey; (ii) limited availability and frequency of key statistical inputs (e.g. firm data, the estimation of depreciation rates for physical capital, etc.); and (iii) a need to further reinforce technical capacity at INE to produce national account statistics and close the main data gaps. Additionally, INE is planning to expand the geographical coverage of the CPI (currently covers only Maputo, Nampula and Beira). This process requires revamping data collection on housing rents to address structural issues with the data sources being used; incorporating non-conventional units of measurement for the consumption of several basic goods; and reinforcing technical capacity.

The main activities under this subcomponent include:
a) Technical support for the rebasing of the national accounts
b) Improving the availability and quality of statistics used for the national accounts
c) Improving the data and methodology used for the production of the CPI

Subcomponent 2.5: Data Analysis and Dissemination (US$1.0 million)

35. **Open access to anonymized data contributes to transparency, supports evidence-based policy analysis and also creates user demand for high quality statistics**. In turn, this helps statistics producers to justify Government budget allocations to sustain a modern statistical system. However, the Statistics Strategic Plan 2013-17 noted that

implementation of a publications plan is weak; there is absence of an effective marketing unit for services and products of the National Statistics System; the multiplicity of databases is not based on a common platform or information architecture; and there is limited use of statistics for local planning. The project will support the development of data access and information policies and dissemination practices, especially the dissemination of micro-data by financing.

The main activities under this subcomponent include:
   a) Formulating and adopting a data dissemination and microdata access policies and calendar
   b) Developing a micro-data portal in line with open-data principles
   c) Technical assistance and training on micro-data anonymization

Component 3: Mainstreaming Spatial Development Planning (Total of US$ 10.0 million)

36.   **The aim of this component is to enhance spatial development planning capacity across key national government agencies, and to ensure sustainability of the PDE platform**. This project component will mainstream spatial development planning in sectoral policy-making, programming, planning, resource allocation, monitoring and evaluation across selected national agencies. The project will finance technical assistance (consultancies), GIS equipment and software, data gathering (high-resolution satellite imagery and sector data collection), capacity building, and project management costs. Several of the statistical products supported in the first component of this project (for instance, the Census 2017 and the welfare household surveys) will provide key data to feed the spatial development-planning platform. This component will take into account appropriate environmental and social considerations as necessary, especially in the design of the spatial development infrastructure strategy.

The main activities under this component include:

   a) Pilot spatial development planning in the Government's Budget, Five Year Plan and medium term fiscal scenario;
   b) Formulate and start the implementation of a 10-year national Spatial Development Infrastructure strategy and a detailed annual plan for mainstreaming spatial planning across national agencies, sub-national governments, services providers, private sector, and civil society organizations;
   c) Incorporate spatial planning in relevant sectoral policy formulation, development planning, and monitoring and evaluation across the selected national institutions;
   d) Design and deploy GIS infrastructure, workflow methodology and tools to integrate spatial data, analysis and planning in the national planning processes across the selected national institutions;
   e) Facilitate integration to the PDE platform of other institutions which are designing, or have already acquired similar systems;
   f) Design and deliver training programs on spatial planning and analysis (including utilization of the PDE platform) to the selected national institutions; and,
   g) Develop governance, management and institutional arrangements to ensure the sustainability of the PDE system in the medium and long-term.

Those activities will target public institutions that have been previously identified as priority agencies for enhancing spatial development planning capacity. At this stage, the following national institutions have been identified:

   a) *Presidency, Prime Minister's Office, and Council of Ministries*. These three national institutions are responsible for the key policy and development planning decisions and oversight. The project will help these three institutions to access and analyze geospatial data from all ministries and national agencies to promote evidence-based policymaking and strengthen cross-sectoral planning. Particularly focus will be given to introduce spatial

development planning into the formulation and monitoring of the Five Year Plan, and the Government Budget processes.

b) *Ministry of Economy and Finance (MEF).* The mandate of MEF includes, among other policy issues, ensuring macro-economic stability, national fiscal planning, monitoring, and evaluation. MEF is also responsible for the planning and budgeting of decentralized national government entities at provincial and district levels, as well as economic policy research. MEF has developed different planning instruments and information management systems, such as the Computerized Government Financial Administration System (eSISTAFE), District Operational Plan and Budget (PSOD), and the District Development Monitoring System (SMoDD). The project will help apply geospatial data and analytics into this functions, as well as make available the budget and financial data from eSISTAFE and SMoDD through the PDE platform.

c) *Ministry of Land, Environment and Rural Development (MITADER).* The PDE platform will support MITADER efforts to oversee issues related to land and environment, and how these can boost rural development and management of natural environment by incorporating geospatial data and analytical tools in its policies, programs and plans. MITADER has recently requested support from the World Bank to prepare the National Territorial Development Plan. The project will help MITADER formulating this national territorial plan by easily accessing geospatial data from different sectors. The GIS tools embedded in PDE will also allow modeling land (forest, agriculture) uses scenarios and impacts on the environment (rivers, forests, coastal areas, agriculture) from climate change and socio-economic transformations.

d) *Ministry of Transport and Communication (MTC) and Ministry of Public Works and Hydric Resources (MOPHRH).* These two Ministries are responsible for the design, planning and implementation of transport infrastructure. The project will help to apply the geospatial data and analytical tools to better plan transport infrastructure by accessing geospatial information of other sectors available in the PDE platform (such as mining, agriculture, industry) and help to model the economic, social and environmental impacts of the road network as well as.

e) *Ministry of Health (MISAU) and Ministry of Human Development and Education (MDHE).* These two ministries are responsible for a large part of the social development policies and programs in the country. The project will introduce spatial development planning to support the planning of new health and education facilities and programs. It will help analyzing the spatial incidences of diseases, education levels, location of existing health and education facilities, and crossing these data with other sector data such as roads, ports, and household data.

f) *Ministry of Administration and State Function (MAEFP).* The mandate of this ministry is to formulate policy, plans, and actions to enhance national administration and support municipal development, including strengthen municipal finance, urban planning, urban land management, and urban services. Currently, MAEFP plans to develop a multi-functional Municipal Management System (SGA), with different modules to cover these main decentralized municipal functions. The project will help to strengthen urban planning and land management through better access and analysis of geospatial data, as well as help MAE to better target its technical and financial assistance programs to municipalities. The PDE platform could potentially be expanded as a multi-sectoral GIS for all municipalities in Mozambique, avoiding the development of fragmented and uncoordinated stand-alone municipal GIS based systems.

Component 4: Aid Data Management for Enhanced Planning and Budgeting (US$1.0 million)

37. **The objective of this component is to enhance the timeliness and comprehensiveness of aid data for improved planning, budgeting, and monitoring of overall development spending**. This component will include technical improvements to the country's AIMS and enhanced human capacity among government stakeholders for the capture, management, and use of aid data. The proposed component is structured into the following four activities: (i) Institutional Mapping of Government Users; (ii) Technical and Data Specifications and Development of new AIMS; (ii) Technical Assistance (TA) on Data Collection, Management, and Use; and (iv) TA on Aid Data Use for Monitoring and Accountability.

The main activities under this component include:

a) *Institutional Mapping of Actual and Potential Government Users of Aid Data.* Building on the World Bank's recently concluded functional and technical assessment of aid data management, this activity will complete a comprehensive mapping of actual and potential demand for aid data by Government PFM institutions. This mapping will involve identifying relevant actors, determining their exact requirements for aid data, and surveying their preferred methods of data entry, access, and analysis. The objective of this activity is to ensure that aid data management systems and institutions are designed based on the needs of Government stakeholders.

b) *Technical and Data Specifications and Development of new AIMS*. Improved aid data management requires a modern AIMS that directly interfaces with e-SISTAFE. Such a system would allow development partners to input data on off-budget and off-CUT projects through a web-enabled interface and push that data into e-SISTAFE to record and account for reported expenditures. The system would also pull on-budget and on-CUT data from e-SISTAFE to then present *all* aid data flows in open format to the public, alongside overall public finances. System requirements would be based on information from the existing ODAmoz assessment report, the institutional mapping from Activity 1, and a comprehensive technical specifications and data scoping exercise, to be conducted as part of Activity 2 in parallel with the mapping from Activity 1. This technical assessment will also address related, relevant data housed outside of ODAmoz, including concessional loans in Mozambique's Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) database; public investment information in line with the future Public Investment Management (PIM) system currently in development with the support of the World Bank; and non-financial aid data that is currently not being captured by any database, such as in-kind grants.

c) *Data Collection, Management, and Use.* A skilled workforce in MEF, coupled with trained development partners, is needed for proper aid data collection, management, and use. TA will support the enhancement of data accessibility and dissemination practices within DC. This includes ensuring efficient work flows for data collection, cleaning, analysis, and dissemination and the implementation of training and skill enhancement for existing staff. The latter will include training of trainers to implement regular DC trainings for development partners and select Program Implementation Units (PIUs). In addition, TA will also provide hands-on guidance to DNPO on best practices for using aid and other data (e.g., data analysis, visualization, and interpretation for policy making) to increase the efficiency and effectiveness of national and sectoral resource allocation and use. In addition to DNPO, such use trainings will be provided to planning officer teams in a select number of line ministries.

d) *Aid Data Use for Monitoring and Accountability.* Besides use in planning and budgeting, aid data is also critical for holding development partners and implementing agencies accountable and promoting transparency through

public disclosure of aid data. TA to non-state actors (NSAs) will focus on increasing demand for such data, as well as boosting NSAs' capacity to access, understand, and analyze aid data.

Component 5: Project Management

38.   **This component strengthens the capacity of INE (components 1, 2 and 4) and MTC (component 3) to manage the non-technical aspects of all project activities.** A PIU will be established at INE and MTC to (a) prepare annual work plans and budgets; (b) carry out all disbursements and any financial management and procurement-related activities in accordance with World Bank–approved procedures; (c) prepare and consolidate periodic progress reports; and (d) monitor and evaluate project activities. The component will be divided into two subcomponents for each respective implementing agency. Given the small size of component 4, a separate PIU will not be set-up at MEF. Rather, MEF will utilize the PIU resources (primarily fiduciary) at INE to carry out the activities financed in component 4 in close coordination. The sharing of PIU resources, especially fiduciary expertise, between INE and MTC will also be explored. The costing of the support required to establish a functioning PIU at INE and MTC will be undertaken during the next phase of preparation.

> **Subcomponent 5.1: Project Management – INE**
> **Subcomponent 5.2: Project Management – MTC**

SAFEGUARDS

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

Most project activities will be implemented in Maputo. The data collection activities will take place across the country. No safeguards are triggered for this project.

B. Borrower's Institutional Capacity for Safeguard Policies

Not applicable.

C. Environmental and Social Safeguards Specialists on the Team

Alfredo Ricardo Zunguze, Paulo Jorge Temba Sithoe, Eden Gabriel Vieira Dava, Maria Do Socorro Alves Da Cunha

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

Mar 15, 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 safeguards are triggered for this project and therefore no safeguard-related studies are required.

CONTACT POINT

World Bank

Javier Eduardo Baez Ramirez, Andre Herzog, Jessica Diane Adler
Senior Economist

Borrower/Client/Recipient

Ministerio da Economia e Financas
Isabel Sumar
Director, Directorate of Cooperation
isabelshumar@gmail.com

Implementing Agencies

Instituto Nacional de Estatisticas
Cirilo Tembe
Deputy Director of the National School of Statistics
cirilo.tembe@ine.gov.mz

Ministerio da Economia e Financas
Isabel Sumar

Director, Directorate of Cooperation
isabelshumar@gmail.com

Ministerio dos Transportes e Comunicacoes
Carlos Mesquita
Minister
carlos.mesquita@mtc.gov.mz

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

APPROVAL

Task Team Leader(s):	Javier Eduardo Baez Ramirez, Andre Herzog, Jessica Diane Adler	

Approved By

Safeguards Advisor:	Nathalie S. Munzberg	21-Feb-2017
Practice Manager/Manager:	Pablo Fajnzylber	22-Feb-2017
Country Director:	Carolin Geginat	02-Mar-2017

Note to Task Teams: End of system generated content, document is editable from here.