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Djibouti: National Strategy for Development of Statistics (NSDS) and Strengthening of National Account Production (P163609)

REPORT NO.: RES36528

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
DJIBOUTI: NATIONAL STRATEGY FOR DEVELOPMENT OF STATISTICS (NSDS) AND STRENGTHENING OF NATIONAL ACCOUNT
PRODUCTION
APPROVED ON APRIL 6, 2018
TO
MINISTRY OF ECONOMY AND FINANCE IN CHARGE OF INDUSTRY

MACROECONOMICS, TRADE AND INVESTMENT

MIDDLE EAST AND NORTH AFRICA

| | |
|----------------------------------|--------------------|
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ABBREVIATIONS AND ACRONYMS



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BASIC DATA

Product Information

| | |
|--|--|
| Project ID P163609 | Financing Instrument Investment Project Financing |
| Original EA Category Not Required (C) | Current EA Category Not Required (C) |
| Approval Date 06-Apr-2018 | Current Closing Date 27-Jun-2019 |

Organizations

| | |
|---|-----------------------------|
| Borrower Ministry of Economy and Finance in charge of Industry | Responsible Agency DISED |
|---|-----------------------------|

Financing (in USD Million)

SUMMARY

| | |
|---------------------------|------|
| Total Project Cost | 0.47 |
| Total Financing | 0.00 |
| Financing Gap | 0.00 |

DETAILS



Project Development Objective (PDO)

Original PDO

The proposed project with two fundamental pillars will, if implemented, help establish a realistic and well-grounded national strategy for the statistical development and strengthen the national account system, and a sustainable data production in Djibouti

1. The development objective of the NSDS pillar of the proposed project is to prepare a new national strategy document for statistics development that will be feasible and realistic. This will entails sectorial analyses to identify the main constraints to the statistical system development in Djibouti and organization of workshops to discuss and disseminate the strategies among stakeholders and donors.

2. The development objective of the National account pillar of the project:

The achievements with the supports from the ADB and UNDP remain partial and preliminary. Meanwhile, the capacity of the technical staff of the DISED remains weak with the short live of the previous training period. Securing the current achievements and further strengthening the statistical capacity in Djibouti requires some short and medium term efforts. Mainly:

- (i) the continuation of the technical team’s capacity building to engage resolutely in sustained production of national accounts indicators;
- (ii) Putting in place important devices allowing the provision of relevant inputs to the compilation of national accounts at constant prices to measure the actual performance of the economy. These include among others: enterprise statistics from the establishment of a business directory and associated indicators; indicators of economic activity: price indexes and volume of industrial activities, index of turnover, foreign trade indices, etc; the development of the accounts for 2015 and 2016 (final accounts 2015 and provisional 2016 to the year 2017); retropolation of old series (2008-2012) using the new system of accounts; and publication and training in the use of classifications of activities and products.

Summary Status of Financing

| TF | Approval | Signing | Effectiveness | Closing | Net | | |
|----------|-------------|-------------|---------------|-------------|------------|-----------|-------------|
| | | | | | Commitment | Disbursed | Undisbursed |
| TF-A5394 | 09-Aug-2017 | 19-Sep-2017 | 19-Sep-2017 | 27-Jun-2019 | .42 | .16 | .26 |

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. *Implementation Progress of the TFOA5394*

1. NSDS.

Regarding the preparation of the NSDS, all expected diagnostics and reports have been completed and validated by the committee. The remaining activity under the NSDS is the organization of the donors round table to raise fund for the NSDS; which is an important activity to ensure adequate resources mobilization for the implementation of the NSDS.

2. The National accounts Pillar.

On the National Accounts, the rebasing process (new base year of 2013) was completed and preliminary national accounts were produced (April 2017).

- However, the preliminary GDP numbers seem undervalued given that information from public administrations and port auxiliaries were not included at the time. Thus, data collection remained partial. More recently, with the enhanced cooperation on data sharing, the DISED has collected data on public administrations.
- Important activities to update the GDP figures are: data survey across port auxiliaries, including units of forwarding, handling, trading, and transport companies; and a survey to develop foreign trade index.
- Once the GDP numbers are updated with expected new data, the retropolation of the data to earlier years (years before 2013) will be carried to have a longer series of GDP.

B. Institutional Impact of the TFOA5394

This statistical capacity building project has created a cross-sectorial and institutional collaboration and synergy, which has popularized the importance of statistics production in the country, up to the highest level. The result has been the government's decision to transform the "directorate of statistics (DISED)" into a national Institution of Statistics (NIS)". The law about the NIS was submitted and discussed at the Parliament on Wednesday December 5, 2018). The decree and the promulgation of the law by the President of the Republic is expected to occur this year. This recognition and collaboration on data production is an important departure for Djibouti for reliable data that will support policy decisions in this rapidly changing country.

C. Rationale for extension of the TFSCB period to March 2020

It is worth noting that although the grant agreement was signed in August 2017, disbursements started only after the first quarter of 2018, due to some administrative delays in completing the required documents.

As a result, despite efforts of the implementing unit, the current time frame will not suffice to complete the remaining activities, especially for the national accounts pillar as listed above (collection of the needed data and its treatment and validation). To ensure a proper completion of the project, the government is seeking an extension of the project period up to **March 2020**.

D. WFA and TAC clearances

TACT and WFAFO have cleared the extension. The Financial Management Specialist has confirmed that there are no overdue audits pertaining to this project.



II. DESCRIPTION OF PROPOSED CHANGES

The extension of the project closing date from June 27, 2019 to March 30, 2020 is the main change.

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I. SUMMARY OF CHANGES

| | Changed | Not Changed |
|--|---------|-------------|
| Loan Closing Date(s) | ✓ | |
| Change in Overall Risk Rating | ✓ | |
| Implementation Schedule | ✓ | |
| Implementing Agency | | ✓ |
| Project's Development Objectives | | ✓ |
| Results Framework | | ✓ |
| Components and Cost | | ✓ |
| Cancellations Proposed | | ✓ |
| Additional Financing Proposed | | ✓ |
| Reallocation between Disbursement Categories | | ✓ |
| Disbursements Arrangements | | ✓ |
| Disbursement Estimates | | ✓ |
| Safeguard Policies Triggered | | ✓ |
| EA category | | ✓ |
| Legal Covenants | | ✓ |



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| | | |
|----------------------------|--|---|
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| Procurement | | ✓ |
| Other Change(s) | | ✓ |

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

| TF | Status | Original Closing | Revised Closing(s) | Proposed Closing | Proposed Deadline for Withdrawal Applications |
|----------|-----------|------------------|--------------------|------------------|---|
| TF-A5394 | Effective | 27-Jun-2019 | | 30-Mar-2020 | 30-Jul-2020 |

OVERALL RISK RATING

| Risk Category | Rating at Approval | Current Rating |
|---------------|--------------------|----------------|
| Overall | ● High | ● Low |

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