



REPORT NO.: RES38267

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
NATIONAL STATISTICS AND DATA FOR DEVELOPMENT
APPROVED ON JULY 6, 2017
TO
MINISTÉRIO DA ECONOMIA E FINANÇAS

POVERTY AND EQUITY

AFRICA

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The World Bank

National Statistics and Data for Development (P162621)

ABBREVIATIONS AND ACRONYMS

ENE	National School of Statistics (Escola Nacional de Estatística)
INE	National Institute of Statistics (Instituto Nacional de Estatística)
MEF-DC	Ministry of Economy and Finance – Department of Cooperation
MEF-DEEF	Ministry of Economy and Finance – Department of Economic Research
MTC	Ministry of Transport and Communication
PAD	Project Appraisal Document
PDE	Spatial Development Planning
PIU	Project Implementation Unit



BASIC DATA

Product Information

Project ID P162621	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 06-Jul-2017	Current Closing Date 30-Dec-2022

Organizations

Borrower Ministerio da Economia e Financas	Responsible Agency Instituto Nacional de Estatisticas, Ministerio dos Transportes e Comunicacoes
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Project Development Objective (PDO)

Original PDO

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

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D2280	06-Jul-2017	17-Jul-2017	07-Aug-2017	30-Dec-2022	62.00	29.24	33.53

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Mozambique National Statistics and Data for Development Project (P162621) was approved by the Board on July 6, 2017. The project became effective one month later on August 7, 2017. The project was restructured on April 9, 2019 to i) introduce the category "works" into the eligible expenditures under Component 1, ii) adjust few intermediate indicators in the Project Results Framework to better align with the activities in Component 3, and iii) transfer fiduciary responsibilities from the MEF-DC to the MTC PIU for Component 4. Since effectiveness, the project has disbursed US\$29.24 million, primarily to finance the census in Component 2 and spatial planning technical assistance to national agencies under Component 3. The project is currently rated Moderately Satisfactory for both progress towards achievement of the development objectives and implementation progress. A full description of the project status and disbursement estimates for FY20 can be found in the most recent ISR dated June 10, 2019.
2. The purpose of the proposed Level 2 restructuring is to: (i) reallocate U\$1.5 Million from the unallocated component to component 3 to finance new activities to strengthen the Government's spatial planning capacity and increase transparency and openness of spatial data; ii) reallocate U\$1.5 Million from the unallocated component to component 1 to create a new subcomponent to finance economic research activities at the Ministry of Economy and Finance (MEF-DEEF); iii) cancel the remaining U\$3 Million from the unallocated component; (iv) cancel the remaining funds in the PPF refinancing category, equivalent to U\$4.5 Million; and v) amend the Financing Agreement (FA) to override a provision from the last restructuring that transferred the full technical implementation of Component 4 away from the Ministry of Economy and Finance (MEF-DC) to the Ministry of Transport and Communication (MTC) instead of switching only the fiduciary responsibilities.
3. The project's Component 3 – Spatial Development Planning is among the best performing in the whole portfolio of the World Bank in Mozambique. After 1 year of implementation, all major contracts have been signed, most activities are well advanced, including the capacity support on spatial planning to seven national agencies, the formulation of the national spatial development infrastructure strategy, the formulation of the new spatial data standards regulations, and the new institutional arrangements and business plan for the national spatial planning entity (PDE). The PDE currently offers high-level or aggregated multisector data and maps across different sectors, line ministries and agencies, as well as satellite images and basic spatial analytical tools acquired in the past. However, the platform lacks the new cutting-edge hyper-local spatial data and analytics that are needed today for the government, private sector and others to make informed policies and investments decisions. Secondly, the PDE platform was developed using proprietary GIS and data management systems that while allowing public visualization and very technical geospatial data manipulation, is already outdated, not users-friendly, and restricts



public access to manipulate and download spatial data in machine-readable formats. To address this shortcoming, the Minister of Economy and Finance submitted to the World Bank a letter on April 26, 2019 expressing the request from the implementing agency of Component 3 (Ministry of Transport and Communication) to reallocate uncommitted funds from the project to address these shortcomings. After discussions with MTC and the Bank, it was agreed to reallocate U\$ 1.5 Million to support activities to strengthen PDE capacity on the new hyper-local data and analytic approaches and tools, and to support improving the PDE platform design and interface and guarantee full public access to spatial data, including in machine learning format.

4. A new subcomponent will be created under Component 1 (INE Institutional Strengthening and Capacity Building) to support economic research at the Department of Economic and Financial Studies Unit of the Ministry of Economy and Finance (MEF-DEEF) with the objective of strengthening evidence-based policymaking. The research unit provides strategic advice and technical inputs to the Ministry of Economy and Finance. It aims to support the development of cross-sectoral evidence-based strategic planning, policy making and evaluation in support of economic diversification in Mozambique in the context of an impending resource boom. The strategic research funded under this program is expected to inform government policy and serve as the basis of a dialogue across ministries to guide public investments, reforms and institutional strengthening. The project will invest in strengthening the technical cadre at the unit, as well as some operating costs. This is a strategic investment for the Bank to fund as it will increase its ability to influence policy dialogue using evidence.
5. An amendment to the Financing Agreement (FA) is needed to rectify an administrative oversight incurred in the last project restructuring in which fiduciary and technical implementation responsibilities for Component 4 (Aid Data Management for Enhanced Planning and Budgeting and Monitoring) were fully transferred from MEF-DC to the MTC, as opposed to just the fiduciary responsibilities.
6. Project Financial Management and Procurement arrangements remain adequate, and there are no overdue Interim Financial Reports, nor audit reports.

II. DESCRIPTION OF PROPOSED CHANGES

7. The reallocation of U\$1.5 Million from the unallocated component to Component 3 (Spatial Development Planning) will be utilized to fund two main new activities. Firstly, it will help to strengthen the capacity of the PDE team to provide actionable, sustainable, and financially viable cutting-edge geospatial data and analysis services for a broad range of stakeholders. This will include: (i) capacity building on customizing the PDE platform to real needs of government, private sector, and civil society; (ii) producing and/or integrating hyper-local spatial data of, inter alia, poverty, access to infrastructure, demographics, and land use; (iii) integrating complex hyper-local data analytical models for government decision making; and, (iv) creating financially sustainable services for the private sector to identify market opportunities, prospect consumers, and analyze behavior patterns. Secondly, it will help to transform the PDE online platform into a full Open Geospatial Data and Geospatial Applications platform that



is open to the public. This includes: (i) providing software services or developing open source software to enable the easy publication and consumption of Mozambican geospatial datasets; (ii) redesigning the www.mozgis.gov.mz to become more user friendly and capable of automatically harvesting, displaying, and downloading machine-readable data in all key formats; and (iii) providing on-the job intensive training on management of open geospatial data and geospatial applications for the new public interface data platform.

8. The creation of the new subcomponent (1.5 – Support to the Economic Research Unit at MEF – U\$1.5 Million equivalent) will support research activities aimed at strengthening evidence-based policymaking in the Ministry of Economy and Finance in the areas of: i) Macroeconomic analysis and statistics; ii) Population studies; iii) Sectoral policies; and, iv) Financial analysis. World Bank funding will complement technical and financial assistance being provided by Development Partners such as Norway, Switzerland and Finland as part of a concerted international effort to build technical capacity within the Ministry. Specifically, this subcomponent will cover the costs of hiring qualified local consultants, training, attendance at conferences, data collection for relatively small surveys, and acquisition of some IT equipment, such as computers, tablets, and printers.
9. Performance of subcomponent 1.5 will be measured by counting the number of research outputs funded by the project that are produced by the research unit. Four analytic studies are expected yearly, starting in 2020. By the project closing date, 12 analytical studies are expected.
10. The PIU at INE will take over the fiduciary responsibilities of subcomponent 1.5. New financial management and procurement support will be hired to support the operation of the PIU.
11. The Financing Agreement will be amended as follows:
 - i) Section 3.01 of the Agreement will be revised to indicate that Part 4 of the Project will be carried out by MTC and MEF; ii) Part 1 (e) will be introduced under Schedule 1 to describe new project activities aimed at supporting MEF's Economic Research Unit; iii) Section I.A.1 of Schedule 2 will be revised to indicate that MEF shall be responsible for the technical implementation of Part 4 of the Project; iv) Section I.A.4(a) of Schedule 2 will be revised to introduce the requirement for the Recipient and Project Implementing Entities to carry out the Project in accordance with: (a) a manual for Parts 1 and 2 of the Project (the "INE Implementation Manual"), (b) a manual for Part 3 of the Project (the "MTC Implementation Manual") and (c) the MTC Implementation Manual and MEF's existing Manual - *Administração Financeira e Procedimentos Contabilísticos* ("MAF") for Part 4 of the Project; v) the disbursement table under Section IV.A.2 of Schedule 2 will be revised to reflect reallocation of Project proceeds and; vi) Definition No. 16 of the Appendix on "Project Implementing Entities" will be revised to better reflect the respective responsibilities of MTC and MEF in the implementation of Parts 3 and 4 of the Project.



III. SUMMARY OF CHANGES

	Changed	Not Changed
Components and Cost	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Institutional Arrangements	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
INE Institutional Strengthening and Capacity Building	4.60	Revised	INE Institutional Strengthening and Capacity Building	6.10
Data Collection, Analysis and Dissemination	69.94	Revised	Data Collection, Analysis and Dissemination	68.44
Mainstreaming Spatial Development Planning	10.00	Revised	Mainstreaming Spatial Development Planning	11.50
Aid Data Management for Enhanced Planning and Budgeting and Monitoring	2.00	No Change	Aid Data Management for Enhanced Planning and Budgeting and Monitoring	2.00
Unallocated Contingency	6.00	Revised	Unallocated Contingency	0.00
TOTAL	92.54			88.04

CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-D2280-001	Disbursing	XDR	45,300,000.00	5,571,000.00	16-Oct-2019	39,729,000.00	BORROWER'S REQUEST FOR COUNTRY REASONS

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed
IDA-D2280-001 Currency: XDR					
iLap Category Sequence No: 1	Current Expenditure Category: Gds,NCS,CS,TR,OC Part 1 and 2				
	27,765,000.00	11,227,690.52	27,765,000.00	100.00	100.00



iLap Category Sequence No: 2	Current Expenditure Category: Gds,NCS,CS,TR,OC Part 3			
7,306,000.00	2,391,536.10	8,398,000.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: Gds,NCS,CS,TR,OC Part 4			
1,461,000.00	33,962.03	1,461,000.00	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: UNALLOCATED			
4,368,000.00	0.00	0.00		100
iLap Category Sequence No: 5	Current Expenditure Category: PPF REFINANCING			
4,400,000.00	2,104,138.80	2,105,000.00		100
Total	45,300,000.00	15,757,327.45	39,729,000.00	

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2018	14,372,287.15	14,372,287.15
2019	12,506,982.93	12,506,982.93
2020	14,000,000.00	14,000,000.00
2021	12,000,000.00	7,000,000.00
2022	7,500,000.00	6,127,602.00
2023	711,639.00	700,000.00

Commented [TB1]: Please revise proposed disbursement estimate to be consistent with revised project amount