Document of

**The World Bank**

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Report No: PP2397

INTERNATIONAL DEVELOPMENT ASSOCIATION

Project PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF

US$ 420,510

TO THE

Ministry of Economy and Finance in charge of Industry

FOR

DJIBOUTI: NATIONAL STRATEGY FOR DEVELOPMENT OF STATISTICS (NSDS) AND STRENGTHENING OF NATIONAL ACCOUNT PRODUCTION  
August 2, 2017

Macro Economics & Fiscal Management Global Practice

MIDDLE EAST AND NORTH AFRICA

|  |
| --- |
| CURRENCY EQUIVALENTS |
| (Exchange Rate Effective August 2, 2017) |
|  |
| |  |  | | --- | --- | | Currency Unit = | Franc Djiboutian | | 177.72 = | US$1 | |
| FISCAL YEAR |
| January 1 - December 31 |

|  |  |
| --- | --- |
| Regional Vice President: | Hafez M. H. Ghanem |
| Country Director: | Asad Alam |
| Senior Global Practice Director: | Carlos Felipe Jaramillo |
| Practice Manager: | Kevin Carey |
| Task Team Leader(s): | Julie Saty Lohi |

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| ABBREVIATIONS AND ACRONYMS |
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|  |  |
| --- | --- |
| NSDS | National Strategy for the Development of Statistics |
| NA | National Accounts |
|  |  |
|  |  |

**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

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| --- | --- | --- | --- |
| **BASIC INFORMATION** | | | |
|  |  |  |
| Is this a regionally tagged project? | Country (ies) | | |
| No |  | | |
| Lending Instrument | Classification | | |
| Investment Project Financing | Small Grants | | |

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| --- |
| [ ] Situations of Urgent Need or Assistance/or Capacity Constraints  [ ] Financial Intermediaries  [ ] Series of Projects |

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| --- | --- | --- | --- |
| OPS\_BASICINFO\_TABLE\_3 |  |  |  |
| Approval Date | Closing Date | Environmental Assessment Category | |
| 20-Mar-2017 | 27-Jun-2019 | C - Not Required | |
| Approval Authority | Bank/IFC Collaboration |  |  |
| CD Decision | No |  | |
| Please Explain  This project has been endorsed by the country Director | | | |

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| **Proposed Development Objective(s)** |

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| 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. |

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| **Components** |

|  |  |  |
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| **Component Name** | **Cost (USD Million)** |  |
| National Strategy for the Development of Statistics (NSDS) | 0.15 |  |
| Sustainable National Accounts production | 0.27 |  |

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| **Organizations** |

|  |  |
| --- | --- |
| Borrower : | Ministry of Finance in charge of statistics |
| Implementing Agency : | DISED |

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| --- | --- | --- |
| [ ✔ ] Counterpart Funding | [  ✔ ] Trust Funds | [  ] Parallel Financing |

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

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| **Financing (in USD Million)** |

|  |  |  |
| --- | --- | --- |
| **Financing Source** | **Amount** |  |
| Local Govts. (Prov., District, City) of Borrowing Country | 0.05 |  |
| Trust Fund for Statistical Capacity Building | 0.42 |  |
| **Total** | **0.47** |  |

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| **Expected Disbursements (in USD Million)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Fiscal Year** | 2017 | 2018 | 2019 |
| **Annual** | 0.00 | 0.00 | 0.00 |
| **Cumulative** | 0.00 | 0.00 | 0.00 |

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| |  | | --- | | **INSTITUTIONAL DATA** | |

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| **Practice Area (Lead)** |
| Macro Economics & Fiscal Management |

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| **Contributing Practice Areas** |
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| **Private Capital Mobilized** |
| No |

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| **Gender Tag** |
|  |
| Does the project plan to undertake any of the following? |
|  |
| a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF |
|  |
| No |
|  |
| b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment |
|  |
| No |
|  |
| c. Include Indicators in results framework to monitor outcomes from actions identified in (b) |
|  |
| No |

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| |  | | --- | | **OVERALL RISK RATING** | |

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| --- | --- |
| **Risk Category** | **Rating** |
| Overall | ⚫⚫⚫⚫⚫ High |

|  |  |
| --- | --- |
| |  | | --- | | **COMPLIANCE** | |

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| **Policy** |
| Does the project depart from the CPF in content or in other significant respects? |
| [ ] Yes [✔] No |
|  |
| Does the project require any waivers of Bank policies?  [ ] Yes [✔] No |
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| **Safeguard Policies Triggered by the Project** | **Yes** | **No** |

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| **Legal Covenants** |

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| Sections and Description |
| Signature of project paper |
|  |

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| --- |
| **Conditions** |

|  |  |
| --- | --- |
| Type | Description |
| Signing | signature of implementing agency |
|  |  |

|  |  |
| --- | --- |
| |  | | --- | | **PROJECT TEAM** | |

**Bank Staff**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Role** | **Specialization** | **Unit** |
| Julie Saty Lohi | Team Leader(ADM Responsible) | Economist | GMF05 |
| Abdoulaye Keita | Procurement Specialist(ADM Responsible) | Senior Procurement specialist | GGO05 |
| Rock Jabbour | Financial Management Specialist | Financial Management Analyst | GGO23 |

**Extended Team**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Title** | **Organization** | **Location** |

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

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

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| 1. **STRATEGIC CONTEXT** |

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| ***Note to Task Teams:*** *Formatting instructions for this document.*   1. ***Header*** *1. [All sub-sections must have a continuous paragraph numbering for the entire main text or for each annex per institutional standard.]* 2. This is the sub-para numbering for this level. This is the sub-para numbering for this level. This is the sub-para numbering for this level. 3. This is the sub-para numbering for this level. This is the sub-para numbering for this level. 4. This is the sub-para numbering for this level. This is the sub-para numbering for this level. 5. This is the sub-para numbering for this level. This is the sub-para numbering for this level. |

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| **A. Country Context** |

**The lack of reliable statistics for monitoring and evaluation remains one of the major handicap in Djibouti.** Djibouti has long relied on the IMF estimations through its article 4 consultations for national account numbers including GDP figures. The country had never had a national strategy for the development of statistics (NSDS) until 2011, when the first NSDS (NSDS\_ 2011-2015) was prepared. Djibouti has apparently experienced strong growth averaging 6 percent over the past 3 years. However, the growth, mainly fueled by capital intensive activities in port development and rail way construction (to link Djibouti to Ethiopia), has failed to make a significant dent on poverty and unemployment in the country. Donors continue to support development activities in Djibouti and the government has developed a national development program (vision 2035) to tackle the social issues related to poverty and shared prosperity. However, the lack of adequate national strategy for statistics development and reliable national accounts continue to preclude monitoring, evaluation, and necessary macroeconomic analysis to assess the magnitude of the growth and fiscal impacts of the country’s various programs and investments projects.

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| **B. Sectoral and Institutional Context** |

The new NSDS should be built, for its success, on an effective road map, which entails activities that will help identify the main constraints to statistics development and define a feasible a grounded strategy for a strong and sustainable statistical system in Djibouti. This will require performing sectorial diagnoses of the National Statistical System (NSS); providing expertise to identify strategic areas to formulate the action plans; and defining a mechanism for monitoring and evaluation at the sectorial and institutional levels. An effective preparation of the new NSDS grounded in the country’s reality through a strong road map would help revitalize and develop national statistical tools to address the challenges of how to sustainably produce statistical data and enable the monitoring and evaluation of policies, development programs and projects, and fight against poverty. It will allow integrating innovative approaches and bring the national statistical system closer to international best practice standards.

As part of the implementation of the 2011-2015 NSDS, a service delivery agreement was signed between the Department of Statistics and Demographic Studies of Djibouti (DISED) and AFRISTAT under the PASED Project, funded by the African Development Bank (ADB). In the framework of this agreement, AFRISTAT provided support for statistical capacity building in Djibouti (at the DISED) to implement the 2008 National Accounts (SNA 2008), with the use of ERETES module from September, 2015 to March, 2016. The United Nation Development Program (UNDP) financed the continuation of the training of the DISED staffs on national accounts production for additional three months up to June, 2016. A number of activities were piloted by the AFRISTAT expert to renovate the national accounts. These key activities included: the diagnosis of national accounts, the definition of a statistical base year accounts, the implementation of new classifications of activities and products, the theoretical and practical training of DISED staff on the 2008 SNA using ERETES, the identification, collection and processing of data sources, and the preliminary preparation of national accounts. These activities yield in some key outputs including the production of the Table of Supply Use (TSU) and the Table of Integrated Economic Accounts (TCEI) for the base year of 2013. Works of national accounts for 2014 (collects of data sources for 2014, processing of data).

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| **C. Higher Level Objectives to which the Project Contributes** |

The development objective of the NSDS pillar of this 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. The new NSDS will consolidate what has been achieved under the previous NSDS, by proposing appropriate solutions to data production challenges related to new development plans, measuring progress in achieving SDGs, new themes such as climate change, environmental sustainability, Energy, gender and communication.

For the national account strengthening pillar, the main objective is to build a strong foundation for a reliable and sustainable national accounts system in Djibouti. Overall, 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.

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| 1. **PROJECT DEVELOPMENT OBJECTIVES** |

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| **A. PDO** |

**Note to Task Teams:** The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

|  |
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| The proposed project with two fundamental pillars will help establish a realistic and well-grounded national strategy for the statistical development and strengthen a sustainable national account system for 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. |

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| **B. Project Beneficiaries** |

The beneficiaries of this project will be the republic of Djibouti, especially government officials, and all users of country level data for analytical works.

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| **C. PDO-Level Results Indicators** |

The main indicators of this project will be:

1. The availability of the new NSDS document
2. The availability of a functional national account production system.

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| 1. **PROJECT DESCRIPTION** |

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| **A. Project Components** |

This project has two components:

1. The national strategy for the development of statistics (NSDS), with activities including:

(a) Preparation of the National Strategy for the Development of Statistics (NSDS);

(b) Carrying out the Diagnostic of the National Statistical System (NSS);

(c) Drafting related Vision and Strategy documents as well as related action plans;

(d) Drafting of a summary document for the NSDS;

(e) Preparation of an advocacy document for the financing of the NSDS and NSDS documents; and

(f) Organization of Workshops/Round tables with donors to mobilize resources for the implementation of the NSDS 2016-2020.

1. National accounts production, with activities including:
2. Provide training for DISED’s technical staff on the use of “ERETEC”– a more sophisticated national account production software.
3. Study trips abroad for DISED’s technical staff to participate in training workshops on national accounts;
4. Purchase of server needs for data publication
5. Data collection trips, including transportation, accommodation and equipment rental.

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| **B. Project Cost and Financing** |

The overall budget for the project is estimated at 468,533 US$. Of which, 198,534 US$ for the preparation of the national strategy for the development of statistics (pillar 1) and 269,999 US$ for strengthening national accounts system (pillar 2). The government is expected to cover the financing gap of 48,023 US$.

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| **Project Components** | **Project cost** | **Trust Funds** | **Counterpart Funding** |
|  |  |  |  |
| **Total Costs** |  |  |  |
| Total Project Costs | 468,533 US$. | 420,510US$ | 48.023 US$ |
| **Total Financing Required** |  |  |  |

420,510 US$

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| 1. **IMPLEMENTATION** |

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| **A. Institutional and Implementation Arrangements** |

The national statistics department (DISED) will be in charge of the day-to-day implementation process of this project, including procurement, financial management, monitoring and evaluation.

Bi-annual action plans for the implementation of the NSDS will be developed in its formulation.

Monitoring of the preparation of the NSDS will be carried out based on appropriate tools for evaluation and results-based management under the responsibility of the DISED in coordination with sectoral statistics services. The bi-annual reports on the NSDS preparation process should inform on action plans, identify constraints and bottlenecks and make recommendations for solutions. A mid-term evaluation of the implementation of the NSDS will better take into account statistical production needs for the monitoring of economic development policies and programs and SDGs. A final evaluation will take place at the end of the implementation of the NSDS to assess the actual level of implementation of the NSDS action plans and the achievement of operational and strategic objectives.

The national accounts production activity includes support to the production of GDP estimates and its components. The focus of this activity will be particularly on the training of the technical staffs of the statistical department on the national account production to ensure their mastery of "ERETES" - a more sophisticated national account production software - and sustainable production of the data. The priority in strengthening the national account system is to improve the preliminary achievements through continuous trainings of the technical staffs at the DISED, collection of additional data to improve the data quality and ensure sustainability and reliability of the data production and publication.

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| **B. Results Monitoring and Evaluation** |

The main outcome of the proposed project will be an improved economic governance for growth and poverty reduction in Djibouti through better policy design as well as better monitoring and evaluation of policies, as reliable data are made available on a sustainable manner.

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| **C. Sustainability** |

This project attempts to ensure a sustainable national statistics system and national accounts production through its two key components.

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| 1. **KEY RISKS** |

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| **A. Overall Risk Rating and Explanation of Key Risks** |

The main risk faced by this project is **Low Capacity Risk, which is rated as high.**

* **Low Human Resources Capacity and Mitigation Strategy (rated as High)**

**Low human resources capacity risks:** the government of Djibouti might not have sufficient technical staff to carry out the activities. The DISED in charge of the implementation of this project has a few number of competent technical staffs to carry out data collection, processing and national accounts production and the preparation of the NSDS.

**Mitigation Strategy**

The low human capacity risk can be mitigated. The strategy in mitigating the low human capacity risk entails recruiting international and national experts to carry out the different sectorial diagnostics for the NSDS preparation. For the NA, providing the DISED with well experienced external national accounts experts to conduct the training of the DISED staff (as mentioned in bullet (i) above) and oversee the various activities would help mitigate the low human resources issues. The recruitment of national and international experts to work alongside with the DISED will not only strengthen the staffs in terms of number, but will allow knowledge sharing from different countries experiences. In Djibouti, this strategy of combining external and internal knowledge has proven to be efficient.

* **Low Financial Resources Capacity (rated as high)**

Ensuring adequate statistic system with good quality of national accounts in Djibouti and its sustainability would require increase of the number of technical staff at the DISED and external expertise to support the activities under this project. Hence, it will require some financial capacities, especially for logistics, the missions of the expert(s), and providing equipment including computers, software, transport means for data collection across the country, and renovating the server for data consolidation and publication. Although the data issues are of great priority in Djibouti, the government might not have the adequate national expertise and sufficient financial resources to carry out the tasks. The government has been relying on donors’ support to improve its statistics capacity. To this end the funding from the TFSCB will be very relevant.

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| 1. **APPRAISAL SUMMARY** |

**Note to Task Teams:** Please provide a summary description of the main economic benefits and costs of the project, and a summary of the key FM, procurement and safeguard issues.

The lack of adequate national strategy for statistics development and reliable national accounts continue to preclude monitoring, evaluation, and necessary macroeconomic analysis to assess the magnitude of the growth and fiscal impacts of the country’s various programs and investments projects. As such, this project will help establishing a strong statistics system in Djibouti and readily data for analytical works that will inform policy decisions and monitoring and evaluating progresses on existing projects. If implemented this project will enhance economic and social development through better-informed policies. Hence, this project will provide significant benefice and value added relative to its cost.

The overall risk for procurement is considered High. DISED has no experience in procurement using World Bank procedures. In addition to Bank prior reviews, a close monitoring will be place to ensure proper implementation of procurement. As needed, hands-on support will be provided.

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| **A. Other Safeguard Policies (if applicable)** |

This project will take place in Djibouti. It will consist of a preparation of national strategy for statistics development and the strengthening of national accounts production in Djibouti. The implementation is expected to be institutional. The project location and implementation characteristics do not trigger safeguard analysis.

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| **B. World Bank Grievance Redress** |

**Note to Task Teams:** Inclusion of the following text is mandatory. No additional text should be added in this section.

|  |
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| Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org/). |

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| **VII. RESULTS FRAMEWORK AND MONITORING** |

**Note to Task Teams:** The following sections are system generated and can only be edited online in the Portal.

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| **Results Framework COUNTRY : Djibouti  Djibouti: National Strategy for Development of Statistics (NSDS) and Strengthening of National Account Production** |

|  |
| --- |
| **Project Development Objectives** |

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| 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. |

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| **Project Development Objective Indicators** |

| | **Indicator Name** | **Core** | **Unit of Measure** | **Baseline** | **End Target** | **Frequency** | **Data Source / Methodology** | **Responsibility for Data Collection** | | --- | --- | --- | --- | --- | --- | --- | --- | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** national strategy for development of statistics (NSDS 2016-2020) |  | Text | Not yet prepared | NSDS prepared and available for use |  |  |  | |  | | | | | | | | | Description: | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** National accounts production |  | Years | 2013.00 | 2016.00 |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |

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| **Intermediate Results Indicators** |

| | **Indicator Name** | **Core** | **Unit of Measure** | **Baseline** | **End Target** | **Frequency** | **Data Source / Methodology** | **Responsibility for Data Collection** | | --- | --- | --- | --- | --- | --- | --- | --- | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Preparation of sectorial report to support the NSDS preparation |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Finalization of national accounts for base year 2013, current 2014, 2015, and 2016 |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Development of external trade indices |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Set up of the business register |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Development of short-term/cyclical indices of activity (IPPI, ICA, etc.) |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Retropolation of old series of national accounts |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **Name:** Classifications of activities and products (NAD and NOPROD) |  | Yes/No | N | Y |  |  |  | |  | | | | | | | | | Description: | | | | | | | | |  | | | | | | | | |

|  |
| --- |
| **Target Values** |

|  |
| --- |
| **Project Development Objective Indicators FY** |

| **Indicator Name** | **Baseline** | **End Target** |
| --- | --- | --- |
| national strategy for development of statistics (NSDS 2016-2020) | Not yet prepared | NSDS prepared and available for use |
| National accounts production | 2013.00 | 2016.00 |

|  |
| --- |
| **Intermediate Results Indicators FY** |

| **Indicator Name** | **Baseline** | **End Target** |
| --- | --- | --- |
| Preparation of sectorial report to support the NSDS preparation | N | Y |
| Finalization of national accounts for base year 2013, current 2014, 2015, and 2016 | N | Y |
| Development of external trade indices | N | Y |
| Set up of the business register | N | Y |
| Development of short-term/cyclical indices of activity (IPPI, ICA, etc.) | N | Y |
| Retropolation of old series of national accounts | N | Y |
| Classifications of activities and products (NAD and NOPROD) | N | Y |

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

Financial Management Arrangements - Annex

**Djibouti – Poverty Technical Assistance Project**

Djibouti’s DISED Financial Management Assessment was conducted by the Bank FM team. Based on the assessment the FM risk (as part of the fiduciary risk) is assessed as Substantial.

The FM risk assessed as substantial is mainly due to: (i) lack of staff and experience with Bank financed projects, the DISED does not have a dedicated financial management department, all financial management aspects are handled by a department that handles projects execution under the direction of the director of the DISED (ii) There are no accounting procedures in place, DISED prepares financial reports using excel spread sheets based on the needs of each project; (iii) There are no procedures of internal control in place; (iv) There is no audit undertaken for DISED, each project is audited by a private external auditor.

Despite these risks, with certain mitigating measures in place, the project would have acceptable project FM arrangements to satisfy the minimum requirements under OP/BP 10.00 and the residual risk rating would be Moderate. The project therefore will need to incorporate the following measures into the project design:

**Staffing:** DISED will be responsible for implementing the Grant. The director of DISED will have the overall responsibility for project implementation. DISED is implementing several projects and has a department that handles projects execution. A Financial Officer will be recruited or assigned from this department to handle the FM aspects of the project. The World Bank will provide the necessary training and capacity building related to FM procedures and reporting guidelines to the new FO.

Accounting System and Reporting: For the purpose of the grant, a ring fenced accounting system will be adopted where excel spreadsheets will be used to generate the required Project Interim Un-audited Financial Reports (IFRs). The documentation and supporting documents shall be maintained at DISED for subsequent review and audit. The Bank will provide further trainings and guidance to set up the recording format for spreadsheets. These Project IFRs will be prepared on a quarterly basis and will be submitted to the Bank within 45 days at the end of each quarter.

**Internal Controls:** DISED will prepare a simplified FM manual. The simplified FM manual will include a description of the fiduciary arrangements including financial management and accounting rules and procedures, specific internal control procedures, flow of information and funds for the project and each of its components.

Disbursements and Flow of Funds: DISED will open a separate Designated Account (DA) in USD to receive the Grant proceeds. The proceeds of the Grant will be disbursed in accordance with the Bank's disbursements guidelines as outlined in the Disbursement letter.

Budgeting: DISED will prepare an annual budget in addition to a periodical disbursement plan. The annual budget and the disbursement plan will be divided on a monthly basis. The disbursement plan will be monitored quarterly and will be updated as needed. All major variances will be highlighted and followed upon by the project.

**Auditing:** An external independent auditor acceptable to the Bank, financed by the Grant, will be engaged to carry out the Project audit in accordance with international standards of auditing, issue the required independent opinion, and prepare the management letter. The audit report and management letter covering the entire life of the project or any other period specified by the Bank will be submitted by DISED to the Bank no later than six months after the end of such period. DISED will be responsible for preparing the TORs for the auditor and submitting them to the Bank for clearance. The auditor will be requested also to provide an opinion on the Project’s effectiveness of internal control system. According to the World Bank Policy on access to Information issued on July 1, 2010, the audit report with audited financial statements of the Project will be made available to the Public.

**Proposed Disbursement Arrangements**

The project would be financed through the multi-donors trust fund for statistical capacity building which is administered by the World Bank. There is no multi- or bilateral agencies co-financing this project. The project cost is estimated at US$ 468,533.

Method of Disbursement: The following disbursement methods may be used under the Grant:

1. Reimbursement
2. Advance
3. Direct payment

The Grant categories are divided as follows:

|  |  |  |
| --- | --- | --- |
| **Category** | **Amount of the Grant Allocated**  **(expressed in USD)** | **Percentage of Expenditures to be Financed (Inclusive of Taxes)** |
| 1. Goods, consultants’ services, training and audit under the Project | 468,533 | 100% |
| **TOTAL AMOUNT** | **468,533** | **100%** |

E – Disbursement**.** The World Bank has introduced the e-disbursement for all Djibouti supported projects. Under e-disbursement, all transactions will be conducted and associated supporting documents scanned and transmitted on line through the Bank’s Client Connection system. E-disbursement will considerably speed up disbursements and facilitate project implementation.

Designated Account. To ensure that funds are readily available for Project implementation, a U.S. Dollar Designated Accounts (DA) will be opened in the name of the project with a ceiling of US$ 150,000. Authorized signatories, names and corresponding specimens of their signatures would be submitted to the Bank prior to the receipt of the first Withdrawal Application. Deposits into and payments from the DA will be made in accordance with the disbursement letter and Bank Disbursement Guidelines. Monthly reconciliations for the Designated Accounts will be prepared by DISED and copies of reconciliations of will be sent to the World Bank together with the IFRs.

The proceeds of the Grant will be disbursed in accordance with the Bank's disbursements guidelines as outlined in the Disbursement letter and in accordance with the Bank Disbursement Guidelines for projects. Transaction based disbursement will be used under this project. Accordingly, requests for payments from the Grant will be initiated through the use of withdrawal applications (WAs) either for Direct Payments, Reimbursements, and Replenishments to the Designated Account. All WAs will include appropriate supporting documentation including detailed SOEs for reimbursements and replenishments to the DA.

DISED will prepare withdrawal applications for activity with the related supporting documents, signed by the designated signatories. No payments for consultancy services, travel, per diem and training/workshops other than those related to the Project would be made from the DA.

***For requests for Reimbursement****.* Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts costing US$ xxxxx per contract or more; Statement of Expenditure in the form attached for all expenditures; List of payments against contracts that are subject to the World Bank's prior review.

***For reporting eligible expenditures paid from the Designated Account.*** Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices) for payments made under contracts costing US$ xxxx per contract or more; Statement of Expenditure (SOE) for all expenditures; List of payments against contracts that are subject to the World Bank's prior review in; DA Activity Statement with a copy of the Designated Account Bank Statement.

***For requests for Direct Payment****:* records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

**Governance and Anti-Corruption (GAC).** Fraud and corruption may affect the Project resources, thus impact negatively the Project outcomes. The World Bank FMS worked closely with Project’s Task Team Leader (TTL) as well as Procurement Specialist and developed with the team an integrated understanding of possible vulnerabilities and agreed on actions to mitigate the risks. The above proposed fiduciary arrangements, including financial management manual, reporting and auditing arrangements are expected to address the risk of fraud and corruption that are likely to have a material impact on the Project outcomes. The team agreed on arranging combined FM and procurement supervision and continues discussion of Project implementation.

**Supervision Plan.** The financial management of the Project will be supervised by the Bank in conjunction with its overall supervision of the Project and conducted at least twice a year.

**Supporting Documentation and Record Keeping.** All supporting documentation was obtained to support the conclusions recorded in the FMAR.