



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-May-2021 | Report No: PIDC243873



BASIC INFORMATION

A. Basic Program Data

Country Eastern Africa	Project ID P176371	Parent Project ID (if any)	Program Name Eastern Africa Regional Statistics Program-for-Results
Region AFRICA EAST	Estimated Appraisal Date 04-Oct-2021	Estimated Board Date 21-Mar-2022	Does this operation have an IPF component? Yes
Financing Instrument Program-for-Results Financing	Borrower(s) Republic of Kenya, Republic of Rwanda, East African Community, United Republic of Tanzania, Federal Democratic Republic of Ethiopia, African Union	Implementing Agency Tanzania National Bureau of Statistics, East African Community, Kenya National Bureau of Statistics, Central Statistics Agency of Ethiopia, National Institute of Statistics Rwanda	Practice Area (Lead) Poverty and Equity

Proposed Program Development Objective(s)

Strengthening the regional statistical system of Ethiopia, Kenya, Rwanda and Tanzania to harmonize, produce, timely disseminate and enhance the use of core economic and social statistics.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	305.00
Total Operation Cost	305.00
Total Program Cost	280.00
IPF Component	25.00
Total Financing	305.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	305.00
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World Bank Lending

305.00

Concept Review Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

With only moderate growth, Sub-Saharan Africa has made only some progress in reducing poverty with an uncertain outlook for the future. The poverty rate in Sub-Saharan Africa was 40.2 percent in 2018, using a poverty line of US\$1.90 per day. No other region comes close to this level, with poverty rates for all other regions remaining in the single digits.¹ Sub-Saharan Africa is also of particular concern as the region with the highest absolute number of poor people at 433.4 million. Growth is a major driver of poverty reduction, and throughout the 1990s and early 2000s many poor managed to escape poverty also thanks to relatively high growth rates. However, GDP per capita growth in Sub-Saharan Africa has been weak and erratic, averaging around 2 percent and has been falling in recent years.

1. The COVID-19 pandemic puts further pressure on poverty, particularly in Sub-Saharan Africa. The economic and public health impacts of the COVID-19 global pandemic are expected to have caused a contraction in global per capita GDP growth of between 5 percent and 8 percent in 2020, leading to the first increase in global poverty since the 1998 Asian financial crisis.² Pre-COVID estimates projected that the global poverty rate would drop to 7.5 percent in 2021, but potential scenarios factoring in the pandemic estimate a global poverty rate of between 8.9 percent and 9.4 percent in 2021. This represents a reversal of as much as three years of global poverty reduction. In absolute terms, between 26 million and 40 million additional people will be pushed into extreme poverty in Sub-Saharan Africa.

2. Ethiopia, Kenya, Rwanda and Tanzania are key countries for Sub-Saharan Africa's poverty reduction agenda, contributing 87 million to the region's poor population of 433 million. Poverty rates in all of these economies are high, and the rate in Rwanda is one of the highest worldwide. Using the poverty line of \$US 1.90 per day, poverty rates in Ethiopia, Kenya, Rwanda and Tanzania are 32.6 percent, 37.1 percent, 56.5 percent, 49.4 percent respectively.³ Of this quartet, the countries with lower poverty rates have very large populations, meaning that all four have a large poor population. The absolute numbers of poor in Ethiopia, Kenya, Rwanda and Tanzania are 33.8 million, 18.2 million, 6.8 million, and 27.8 million respectively, and total 86.6 million people. This represents a considerable proportion of the poor of Sub-Saharan Africa.

3. Regional integration is key to accelerate inclusive growth and poverty reduction, but its pace is limited in Sub-Saharan Africa. Countries with access to larger, regional markets provide more opportunities and are more attractive to both foreign and domestic investors. They can take full potential of their comparative advantages leading to specialization and gains in productivity. With the expansion of potential markets, economies of scale can start at the firm level and

¹ World Bank. 2020. Poverty and Shared Prosperity 2020: Reversals of Fortune. Washington, DC: World Bank. Detailed data are not available for South Asia, but estimates for the regional poverty rate do not exceed 10 percent.

² World Bank (2020) Poverty and Shared Prosperity 2020: Reversals of Fortune. Washington, DC: World Bank.

³ World Bank (2020) Poverty and Shared Prosperity 2020: Reversals of Fortune. Washington, DC: World Bank.



increase productivity further. In fact, higher intra-regional trade leads to higher growth through diffusion of technology, managerial know-how, and competitive practices as well as the operation of economies of scale and scope.⁴ In addition, an expanded African market can play a key role in triggering other drivers of growth such as FDI entry, and the development or deepening of regional value chains.⁵ Also, trade positively affects domestic markets by diminishing anti-competitive practices and reducing unproductive rent-seeking activities. Hence, better integrated economies can provide more and better jobs creating sustainable pathways out of poverty if accompanied by inclusive policies.⁶ While Sub-Saharan Africa has made recent gains in economic integration, e.g. with the launch of the African Continental Free Trade Area, its pace is limited with only few firms taking advantage of regional and global value chains.

4. A lack of harmonized data undermines the evidence base to advance regional integration. Harmonized data is needed to inform decision makers about the benefits and costs of regional integration, further advancing the regional integration agenda.⁷ Increased interactions among economically integrated countries require policy makers to incorporate harmonized regional and national data for policy decisions, to enable the efficient allocation of scarce resources within countries and to deepen economic integration. They are also necessary to track progress and impacts of regional integration as well as regional and national economic performance, constituting the main inputs for strengthening national, regional and global monitoring and evaluation systems. Good statistics also help good governance by increasing transparency and accountability at the national and regional level. Firms benefit from regionally harmonized and transparent data by gaining a better unbiased understanding of regional markets and their opportunities, allowing to crowd-in private investment. Harmonized enterprise- and household-based surveys as well as agricultural statistics provide important information on productivity, supply and demand for goods, services and labor. Harmonized and more disaggregated price statistics at the market level helps to identify opportunities within the region. Individuals benefit from more and better opportunities as well as improved policies ranging from labor policies over education to health policies. Specific groups and communities affected by challenges from deeper integration can be better protected by targeted social safety net measures. However, such data is currently lacking limiting further regional integration.

Sectoral (or multi-sectoral) and Institutional Context of the Program

5. Statistical capacity increased considerably in Sub-Saharan Africa over the last decade with support from statistical capacity building projects, often funded by IDA and bilateral donors. From the early 2000s, strategic planning through National Strategies for the Development of Statistics (NSDS) has been adopted, with most African countries having implemented one or more strategies by 2021.⁸ Since 2015, the World Bank has committed to increasing the statistical capacity of low-income countries, also to improve monitoring of the World Bank's twin goals to end extreme poverty and promote shared prosperity. The continent also has recently committed to a strategy to harmonize, benchmark, and make readily available critical country statistics through the African Union Strategy for Harmonization of Statistics in Africa (SHaSA2) 2017-2026. The increase in the World Bank Statistical Capacity Indicator (SCI)⁹ confirms the overall progress in statistical capacity building in Africa.

⁴ Calderón et al. (2020) Trade Integration, Export Patterns, and Growth in Sub-Saharan Africa. World Bank Policy Research Working Paper (9132).

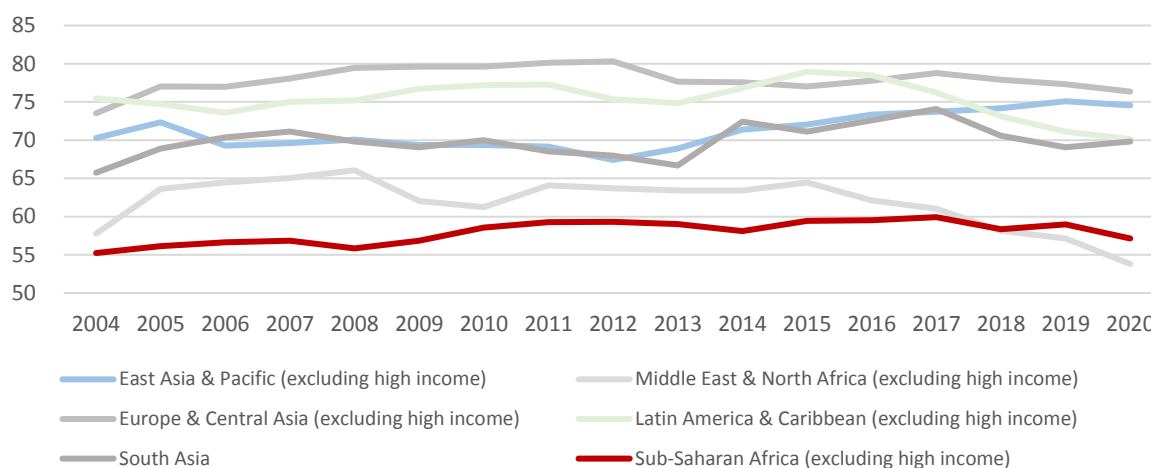
⁵ World Bank (2020) World Development Report 2020: Trading for Development in the Age of Global Value Chains. Washington, DC: World Bank.

⁶ Choi et al. (2020) The Future of Work in Africa: Harnessing the Potential of Digital Technologies for All. Washington, DC: World Bank.

⁷ World Bank (2015) Indicators to Monitoring Deeper Regional Integration in Africa. Washington, DC: World Bank.

⁸ Ethiopia's NSDS expired in 2019/20 but is currently defining a new strategy. Kenya has published a new strategy covering 2018 to 2022. Rwanda's strategy includes the years 2019/20 to 2023/24. Tanzania is currently drafting its second Statistical Master Plan.

⁹ The World Bank's SCI is a composite score assessing a country's statistical system based on a diagnostic framework assessing methodology, data sources, and periodicity and timeliness. Countries are scored on 25 criteria in these areas using publicly available



6. However, important data gaps remain in terms of availability, timeliness, quality and harmonization of data due to institutional weaknesses, capacity limitations and funding constrains. The continent still lags other regions due to institutional weaknesses and inconsistent financing. Data standards are outdated, access to data is weak, and there is insufficient use of data for policy making. Data is often not available or – if available – not harmonized across countries limiting its use and relevance for policy making. Lack of relevant disaggregated statistics, e.g. on poverty, gender or disability status, hinders tracking progress and designing as well as targeting policies to address inequalities. Emerging challenges require a modern, adaptive approach to the rapidly changing data collection environment making use of new technologies and big data.

7. A regional approach to statistics is needed to produce and disseminate better harmonized data at the national, regional and international level. The implementation of the D4P package, including production of a core set of economic, social, and sustainability statistics, at a regional level will close data gaps with harmonized data compliant with international standards contributing to effective policy making and monitoring of progress, regional integration and achievement of global targets. The regional D4P approach will improve quality and availability of internationally comparable gender and disability statistics. A regional approach will facilitate coordination among NSOs by introducing and expanding innovations, peer-to-peer reviewing, and learning that can generate positive externalities. Prevention, mitigation and recovery of regional and global crises like COVID-19 also require a regional concerted approach to setup emergency observatories establishing rapid data collection capacity and big data capabilities. However, country tailoring is also required and the regional program will use a modular approach to reflect and accommodate differences between countries. The program will take advantage of complementarities between regional and national incentives. The regional program will work towards sustainability by working through Government systems and improving demand for data and statistics.

Relationship to CAS/CPF

8. The program is firmly embedded in the regional and Governments’ as well as World Bank’s strategies. A regional approach of the program is aligned with SHaSA2 as well as a regional and global commitment for better monitoring of goals. The program supports the implementation of the EAC’s 2nd Regional Statistical Development Plan (RSDPII), covering the period 2017/18– 2021/22. The program reflects priorities emphasized in World Bank country strategies. The program

information and country input. The overall SCI score is calculated as the average of all three area scores on a scale of 0 to 100.



will also help implement the World Bank Regional Integration Assistance Strategy for Sub-Saharan Africa. The program will operationalize the World Bank Group Gender Strategy based on a data-driven approach.

Rationale for Bank Engagement and Choice of Financing Instrument

9. The World Bank Group is uniquely placed to make access to reliable, frequent and harmonized data and its use a reality thanks to its distinct ability to provide technical assistance, convene stakeholders and funding capacity. The World Bank Group leads efforts to develop statistics that meet international quality standards (e.g., the World Development Indicators) and supports PARIS21 which produces NSDS guidelines. Through the design, implementation and review of previous statistical capacity building operations, the World Bank Group has learned lessons – as reflected, for example, in the IEG report on Data for Development – about what works, what does not and what it will take to successfully support the regional and national statistical projects. The World Bank Group has comparative advantages as an established global leader in the funding of large statistical capacity building projects, the design and implementation of effective national statistical systems, and convening development partners to discuss and unite efforts in pushing forward the agenda on national, regional and global statistics.

10. The proposed hybrid Program-for-Results (Program-for-Results) will combine the benefits of the Program-for-Results instrument of effective delivery through Government systems with a more closely monitored IPF component focused on TA for Statafric and the EAC Statistics Bureau. The participating countries have explicitly requested to consider using a Program-for-Results as instrument given their good experiences with Program-for-Results. The Program-for-Results instrument has several advantages to support NSOs in implementing the proposed activities: (i) implementation is facilitated by working through government budget, financial management and procurement systems; (ii) working through government programs for statistics improves the efficiency of expenditures and be a key factor to institutionalize government support for statistics; (iii) the operation can build institutional capacity to administer and execute the NSOs programs; (iv) scalable disbursement-linked indicators incentivize NSOs to release data in a timely manner; (v) it facilitate potential scalability of the program by drawing in additional stakeholders and being better suited to draw in financing from multiple development partners supporting the program; and (vi) the program allows for a shift in focus of World Bank’s engagement from upstream technical advice and financing of inputs to supporting specific and verifiable improvements of the statistical system. The IPF component allows a more closely monitored approach including tailored TA.

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

Strengthening the regional statistical system of Ethiopia, Kenya, Rwanda and Tanzania to harmonize, produce, timely disseminate and enhance the use of core economic and social statistics.

PDO Level Results Indicators

11. The achievement of the PDO level results will be measured by five high-level indicators. The proposed indicators cover the strengthening of the statistical systems as well as the harmonization, production, timely dissemination and enhanced use of statistics:

1. Improved statistical capacity: measured by the average Statistical Capacity Index (SCI) or Statistical Performance Index (SPI).



2. Improved production and availability of statistics: measured by the average D4P index.
3. Improved availability of harmonized statistics: measured by the number of key indicators harmonized across beneficiary countries.
4. Improved timeliness of dissemination: measured by the proportion of releases within timelines as stipulated in advanced release calendars.
5. Improved usage of statistics: measured by the number of downloads of datasets and reports supported by the program.

D. Program Description

PforR Program Boundary

12. The Program-for-Results will be structured into three results areas:

- (1) Harmonization, Quality and Dissemination of Statistics
 - a. Improve harmonization and quality of statistics
 - b. Improve human capacity
 - c. Improve dissemination
- (2) Extended Data-for-Policy package
 - a. Fill household-based survey gaps
 - b. Fill enterprise-based survey gaps
 - c. Fill agricultural statistics gaps
 - d. Fill price data gaps
 - e. Fill administrative data gaps
 - f. Revise / upgrade National Accounts
 - g. Use new technologies and big data
- (3) Infrastructure and Institutional Development
 - a. Upgrade IT and statistical infrastructure
 - b. Enhance institutional development

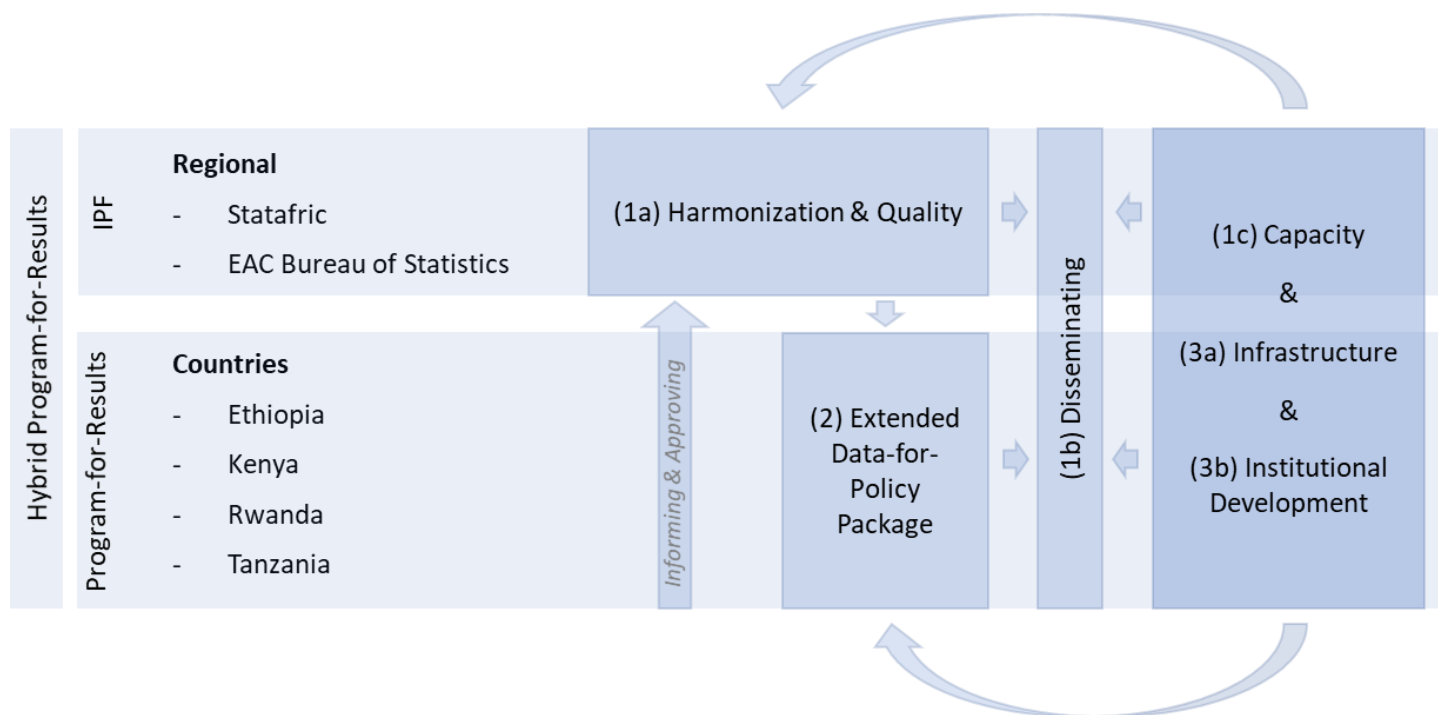
13. Results area 1: Harmonization, quality and dissemination of statistics. The first result will improve harmonization and quality of statistics by producing and supporting the implementation of regional guidelines according to SHaSA2, extending the data quality and comparability framework at the regional level to include additional data dimensions and developing concepts and frameworks for the integration of new technologies and big data. The second result will improve human capacity in the key sectors covered under results area 2 by staffing the EAC Regional Bureau of Statistics with experts and making available experts from advanced partner states to support regional and national human capacity as well as providing workshops, on-the-job-training, statistics seminars and advocacy events like the Statistics Day to improve statistical knowledge and literacy in Governments and civil society. The third result will improve dissemination of statistics



by supporting digital dissemination through online portals and dashboards, inclusion of gender-, disability- and spatially disaggregated statistics as well as improving the timeliness of statistics by using advanced release calendars.

14. Results area 2: Extended Data-for-Policy package. The first result will produce poverty-, labor- and other socio-economic statistics through household budget and labor force surveys. The second result will produce enterprise statistics with details on labor demand and productivity while also maintaining a business registry. The third result will support agricultural statistics for example by producing agricultural census information and agricultural productivity statistics. The fourth result ensures continuous implementation of price statistics feeding into the consumer and producer price indices. The fifth result tackles administrative data gaps by integrating ministries and agencies into the national statistical system to harness, complement and improve available data that they gather through routine data collection systems. The sixth result will revise and upgrade the System of National Accounts, adding natural capital accounting while improving comparability within the region. Finally, the seventh result will include the setup of emergency observatories to create capacity to monitor and track emerging crises in real-time. All results in this area will be produced by incorporating guidelines and frameworks on international standards and regional harmonization as produced under results area 1.

15. Results area 3: Infrastructure and Institutional Development. The first result will upgrade IT infrastructure including the setup of data servers and equipment to implement tablet-surveys while establishing technology to monitor and analyze incoming data on-the-fly. The result also includes statistical infrastructure, for example the preparation of sampling frames based on population census and the development of modular data platforms that can form the basis for linking datasets across government such as connecting administrative data to program indicators and the budget. The second result will enhance institutional development by improving the institutional setup at the regional, national and sub-national level as well as supporting monitoring and evaluation frameworks. This will include – depending on the implementing agencies’ needs – analysis and recommendations for improved legal frameworks, improvements of the management of human resources, organizational and managerial changes, strategic planning as well as improved financial systems.





16. The current project P164243 EAC Statistics Development and Harmonization Regional Project will be integrated into the proposed program. The participating countries do not have any significant national statistical operations funded by donors including the World Bank. However, the IPF project P164243 funded by a USD-equivalent 20 million grant supports the East African Community in setting up institutions and frameworks for the development and harmonization of data but does not include NSOs as beneficiaries. The project became effective in December 2018 but suffers from low disbursement currently at 7 percent due to the time needed for the EAC Bureau of Statistics to setup required institutional processes. Furthermore, the sole focus on harmonization without NSOs demanding harmonization guidelines for their data production processes has limited the speed of implementation. To create new momentum while taking advantage of the foundations provided by the project, the program will incorporate any activities that have not been started by May 1st, 2021, into the IPF component of the program contributing to results areas 1 and 3, while the current project will be restructured and closed. Integration into the program will create synergies by coupling harmonization with data production. As direct beneficiaries of the program, the NSOs of Ethiopia, Kenya, Rwanda and Tanzania will help to accelerate activities implemented by Statafric and the EAC Statistics Bureau.

E. Initial Environmental and Social Screening

17. The Program-for-Results and IPF component risks of the activity are rated as moderate. Risks and impacts associated with the IPF component are presented in more detail in the Concept Environmental and Social Risk Summary (ESRS). Country specific activities include (i) harmonization, quality and dissemination of statistics; (ii) Data-for-Policy; and (iii) infrastructure and institutional development which will include IT infrastructure upgrades (which may involve retrofitting). Given the nature of the activities the risks are moderate as it is anticipated that any impacts are likely to be site specific and reversible. Identified impacts can be effectively mitigated, based on existing environmental and social systems and in compliance with both national legislation and World Bank Environmental and Social Policies.

18. Program-for-Results Environmental Impacts and Risks. The program will have mostly positive benefits as the program interventions will set up a robust statistical system and infrastructure in the participating countries which thence will result in, among others, regional harmonization, quality control and dissemination of correct statistical data for policy and development. The program will not support any large-scale civil works. Environmental risks of the program activities shall be confined to small rehabilitation initiatives for installing and or upgrading data servers and possibly supply of electronic equipment's for field data collection. The risk and impacts are site specific in nature and well known to be mitigable by enforcement of good environmental systems. Further analysis shall be undertaken on the implementing agencies (National Statistics Offices) during project preparation to assess their existing systems in place and their capacity to manage any likely environmental risk.

19. IPF Environmental Impacts and Risks. The IPF component of the Program-for-Results is solely a technical assistance to strengthening institutions, capacity building and program management. It will not support any studies or preparation of future investments nor will it support formulation of policies, plans, programs, strategies or legal frameworks. The program may procure electronic equipment like computers, printers, batteries, servers, or other IT related equipment for data storage and management. Although the IPF support will not have any civil works that may have direct adverse environmental impacts, the outcomes of the proposed support may have environmental implications going forward, entailing risks and potentially inducing adverse impacts through disposal of old or used electronic equipment that may result to soil and water contamination through the release of heavy metals and potentially air pollution by release of dioxins and PM10 through melting of materials if not properly managed. Hence, environmental risks in the IPF component are mostly associated with management and disposal of electronic equipment and waste. Given



that this risk is site-specific and well manageable through proper enforcement of an electronic waste management policy and plan, the environment risk rating is assessed to be moderate.

20. Program-for-Results Social Impacts and Risks. The key social concern across all four participating countries relates to digital security concerns both in relation to data protection and cyber-security. The project will need to assess the extent to which data protection and security is already enacted in the countries selected and the implementation of the same as part of the ESSA and propose additional measures in the PAP to protect vulnerable groups who may face stigma and exclusion if personal data is revealed. Contextual factors across the four countries are likely to influence the extent of any risks. Social impacts as a result of upgrading IT infrastructure (including statistical infrastructure) are not anticipated as it is not expected to result in extensive civil works or any land use changes.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component

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