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Report No: PAD1142

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT IN THE AMOUNT OF SDR 32 MILLION  
(US\$45 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A

STATISTICS DEVELOPMENT PROJECT

August 5, 2015

Poverty and Equity Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective June 30, 2015)

Currency Unit	=	US\$
CDF 1.00	=	US\$0.0010781
US\$1	=	0.71104032 SDR

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AFR	Africa Region of the World Bank
ATS	Agent Technique de la Statistique
BCR	Bureau central du recensement (Census Bureau)
CAPI	Computer-assisted personal interview
CAS	Country Assistance Strategy
CASP	Centre d'Application de la Statistique et de la Planification (Center for Applied Statistics and Planning)
CDF	Congolese Franc
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
CFAA	Country Financial Accountability Assessment
CGPMP	Cellule de Gestion des Projets et Marchés publics (Projects and Procurement Management Unit)
CNS	Conseil national de la statistique (National Statistical Council)
CPI	Consumer Price Index
CQ	Consultant Qualification
CTR	Commission technique du recensement (Census Technical Commission)
CWIQ	Core Welfare Indicators Questionnaire Survey
DA	Designated Account
DEME	<i>Direction des études macro-économiques</i> (Department for Macroeconomic Studies)
DEP	<i>Direction des études et de la planification</i> (Department for Planning and Studies)
DG	Director-general
DHS	Demographic and Health Survey
DQAF	Data Quality Assessment Framework
DRC	Democratic Republic of Congo
EA	<i>Enumeration Areas</i>
ENSAE	<i>Ecole Nationale de la Statistique et de l'Analyse Economique</i> (National statistical and economic analysis school of Senegal)
ERE-TES	<i>Equilibre Ressources-Emploi et Tableau Entrée-Sortie</i> (Application to support national accounts compilation)
EU	European Union
FAO	United Nations Food and Agriculture Organization
FB	Fixed Budget
FEC	Fédération des entreprises du Congo (Federation of Congolese Enterprises)
FMS	Financial Management Specialist
FPA	UN Fiduciary Principles Accords
GDP	Gross Domestic Product

GoDRC	Government of the Democratic Republic of Congo
GPN	General Procurement Notice
GRS	Grievance Redress Service
HIPC	Highly Indebted Poor Countries
HR	Human resources
IBRD	International Bank for Reconstruction and Development
IC	Individual Consultant
ICB	International Competitive Bidding
ICT	Information and Communication Technology
IDA	International Development Association
IFAC	International Federation of Accountants
IGC	Institut géographique congolais (Congolese Geographical Institute)
IGF	Inspection générale des Finances (General Inspection of Finances)
IMF	International Monetary Fund
IMIS	Integrated Management Information System
INS	Institut national de la statistique (National Statistical Institute)
INSEE	Institut national de la statistique et des études économiques (National Institute of Statistics and Economic Studies of France)
IPF	Investment Project Financing
IRES	Institut de Recherches économiques et sociales (Institute for Economic and Social Research)
ISE	Ingénieur Statisticien Economiste (Statistician and Economist Engineer)
ISR	Implementation Status and Results Report
ISS	Institut supérieur de la statistique (Statistical training school, university-level)
ISSEA	Institut sous-régional de statistique et d'économie appliquée (Sub-regional statistical)
IT	Information technology
ITS	Ingénieur des Travaux Statistiques (Statistics Works Engineer)
LFS	Labor Force Survey
LSMS	Living Standards Measurement Survey
LSMS-ISA	Living Standards Measurement Survey- Integrated Survey on Agriculture
MDG	Millennium Development Goals
MICS	Multiple Indicator Cluster Survey
NAC	National Agricultural Census
NCB	National Competitive Bidding
NSDS	National Strategy for the Development of Statistics
NSS	National Statistical System
BP	Bank Policies
OCPI	Congolese Poverty and Inequalities Observatory
OP	Operations Policies
PARIS21	Partnership in Statistics for Development in the 21st Century
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Financial Management
PMR	Procurement Management Report
PRESS	PARIS21 Partner Report on Support to Statistics
PRINS	The DRC Catalytic Project to Strengthen the INS
PRSP	Poverty Reduction Strategy Paper
PS	Procurement Specialist
PSC	Project Steering Committee
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection

SDGs	Sustainable Development Goals
SG	Secretary-general
SNA	System of National Accounts
SPN	Specific Procurement Notice
SRF	Statistics for Results Facility Catalytic Fund
SSS	Single Source Selection
TA	Technical assistance
ToR	Term of Reference
TTL	Task Team Leader
UCS	Use of Country System
US	United States
USAID	United States Agency for International Development
WBG	World Bank Group

Regional Vice President:	Makhtar Diop
Country Director:	Ahmadou Moustapha Ndiaye
Senior Global Practice Director:	Ana L. Revenga
Practice Manager:	Pablo Fajnzylber
Task Team Leader:	Franck M. Adoho
Co-Team Leaders:	Abdoullahi Beidou, Veronique Kabongo

**DEMOCRATIC REPUBLIC OF CONGO**  
**Statistics Development Project**

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**PAD DATA SHEET**

*Democratic Republic of Congo (DRC)*  
*Statistics Development Project (P150148)*  
**PROJECT APPRAISAL DOCUMENT**

*AFRICA*  
*0000009333*

Report No.: PAD1142

<b>Basic Information</b>			
Project ID P150148	EA Category C - Not Required	Team Leader: Franck M. Adoho, Co-Team Leaders: Abdoullahi Beidou ,Veronique Kabongo	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ]		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 26-Aug-2015	Project Implementation End Date 30-June-2020		
Expected Effectiveness Date 11-Jan-2016	Expected Closing Date 31-Dec-2020		
Joint IFC No			
Practice Manager/Manager Pablo Fajnzylber	Senior Global Practice Director Ana L. Revenga	Country Director Ahmadou Moustapha Ndiaye	Regional Vice President Makhtar Diop
Borrower: Ministry Of Finances			
Responsible Agency: Institut National de la Statistique (INS)			
Contact: Telephone No.: 243813752416	Serge Bokuma	Title: DG. a.i. Email: sbokuma@gmail.com	
<b>Project Financing Data(in USD Million)</b>			
[ ] Loan	[ x ] IDA Grant	[ ] Guarantee	
[ ] Credit	[ ] Grant	[ ] Other	

Total Project Cost:	45.00	Total Bank Financing:	45.00							
Financing Gap:	0.00									
<b>Financing Source</b>										
			<b>Amount</b>							
BORROWER/RECIPIENT			0.00							
International Development Association (IDA)			45.00							
Total			45.00							
<b>Expected Disbursements (in USD Million)</b>										
Fiscal Year	2016	2017	2018	2019	2020	2021				
Annual	6	13.4	8.70	10.65	6.25	0.00				
Cumulative	6	19.4	28.10	38.75	45.00	45.00				
<b>Institutional Data</b>										
<b>Practice Area (Lead)</b>										
Poverty										
<b>Contributing Practice Areas</b>										
<b>Cross Cutting Topics</b>										
<input type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Fragile, Conflict & Violence <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Jobs <input type="checkbox"/> Public Private Partnership										
<b>Sectors / Climate Change</b>										
Sector (Maximum 5 and total % must equal 100)										
Major Sector	Sector					%	Adaptation Co-benefits %	Mitigation Co-benefits %		
Public Administration, Law, and Justice	General public administration sector					100				
Total						100				
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.										
<b>Themes</b>										
Theme (Maximum 5 and total % must equal 100)										



Major theme	<i>Theme</i>	%
Economic management	Economic statistics, modeling and forecasting	60
Economic management	Analysis of economic growth	20
Social protection and risk management	Poverty strategy, analysis and monitoring	20
Total		100

### Proposed Development Objective(s)

The development objective of this project is to strengthen the capacity of the National Statistical System to produce and disseminate core economic and social statistics.

### Components

Component Name	Cost (USD Millions)
Component 1: Data Production, Dissemination and Use to Strengthen the Statistical Infrastructure for Poverty and Economic Monitoring	35.10
Component 2: Human Resources Development and Management	9.90

### Systematic Operations Risk- Rating Tool (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	High
7. Environment and Social	Low
8. Stakeholders	Substantial
9. Other	
<b>OVERALL</b>	Substantial

### Compliance

#### Policy

Does the project depart from the CAS in content or in other significant respects? Yes [ ] No [ X ]

Does the project require any waivers of Bank policies?	Yes [ ]	No [ X ]
Have these been approved by Bank management?	Yes [ ]	No [ ]
Is approval for any policy waiver sought from the Board?	Yes [ ]	No [ X ]
Does the project meet the Regional criteria for readiness for implementation?	Yes [ X ]	No [ ]

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		X
Natural Habitats OP/BP 4.04		X
Forests OP/BP 4.36		X
Pest Management OP 4.09		X
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X

**Legal Covenants**

Name	Recurrent	Due Date	Frequency
Project Steering Committee	No	One month after Effective Date	Once

**Description of Covenant**

Establish no later than one month after the Effective Date and thereafter maintain, throughout the period of Project implementation, the Project Steering Committee to provide overall strategic guidance and approve the Annual Work Program with terms of reference, composition and powers acceptable to the Association, as further described in the Project Implementation Manual.

Name	Recurrent	Due Date	Frequency
Monitoring and Evaluation Workshop	Yes	First workshop to be held six months after effectiveness	Every semester

**Description of Covenant**

Not later than six (6) months after the Effective Date, and every semester thereafter, the Recipient shall carry out jointly with the Project Implementing Entity, the Project Steering Committee and the Association, a monitoring and evaluation workshop which shall cover the progress achieved in the implementation of the Project; and offer opportunities for discussions, learning and improvement of Project implementation

Name	Recurrent	Due Date	Frequency
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Project Implementation Manual		One month after the Effective Date	Once
<b>Description of Covenant</b>			
Not later than one (1) month after the Effective Date, the Recipient shall adopt the Project Implementation Manual, in form and substance satisfactory to the Association			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Independent Auditors	No	Four months after the Effective Date	Once
<b>Description of Covenant</b>			
Not later than four (4) months after the Effective Date, the Recipient shall hire independent auditors for the Project with terms of reference, qualifications and experience satisfactory to the Association and in accordance with Section III of this Schedule, in form and substance satisfactory to the Association			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
INS Scientific Council and National Council for Statistics	No	Twenty-four months after the Effective Date	Once
<b>Description of Covenant</b>			
Not later than twenty-four (24) months after the Effective Date, the Recipient shall establish the INS Scientific Council and the National Council for Statistics, all in form and substance satisfactory to the Association			
<b>Conditions</b>			
<b>Source Of Fund</b>	<b>Name</b>	<b>Type</b>	
IDA	Subsidiary Agreement	Effectiveness	
<b>Description of Condition</b>			
The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.			
<b>Source Of Fund</b>	<b>Name</b>	<b>Type</b>	
IDA	Cartography	Disbursement	
<b>Description of Condition</b>			
No withdrawal shall be made for payments made under Category (2) unless the Association has received: (ii) a detailed program of activities for the cartography of the population and housing census issued by BCR; and (ii) evidence that the total budget for the cartography of the population and housing census has been secured by BCR; all in form and substance satisfactory to the Association.			
<b>Source Of Fund</b>	<b>Name</b>	<b>Type</b>	
IDA	Scholarship Program	Disbursement	
<b>Description of Condition</b>			
No withdrawal shall be made for payments made under Category (3) unless a list of Beneficiaries for the Scholarship Program under component 2.3 of the Project has been provided to the Association in form and			

substance satisfactory to the Association, including, inter alia, the verification of the qualifications of said Beneficiaries and the adequacy with the procedures and criteria established in the Project Implementation Manual.

Source Of Fund	Name	Type
IDA	Young Professionals Program	Disbursement

#### Description of Condition

No withdrawal shall be made for payments made under Category (4) unless (i) the Association has received evidence that a director general of the Project Implementing Entity has been confirmed in form and substance satisfactory to the Association; and (ii) a list of the YP Beneficiaries for the Young Professionals Program under component 2.4 of the Project has been provided to the Association in form and substance satisfactory to the Association, including, inter alia, the verification of the qualifications of said YP Beneficiaries and the adequacy with the procedures and criteria established in the Project Implementation Manual.

#### Team Composition

##### Bank Staff

Name	Role	Title	Specialization	Unit
Franck M. Adoho	Team Leader (ADM Responsible)	Economist		GPVDR
Abdoullahi Beidou	Co-Team Leader	Senior Economist/Statistician		GPVDR
Veronique Kabongo	Co-Team Leader	Lead Learning Officer		GPSOS
Lanssina Traore	Procurement Specialist	Procurement Specialist		GGODR
Angelo Donou	Financial Management Specialist	Financial Management Specialist		GGODR
Abdoulaye Gadiere	Safeguards Specialist	Senior Environmental Specialist		GENDR
Antoine V. Lema	Safeguards Specialist	Senior Social Development Specialist		GSURR
Boris Weber	Team Member	Senior Public Sector Specialist		GGODR
Diane E. Steele	Team Member	Household Survey Coordinator		DECSM
Elikia M. V. Kamga Nenkam	Team Member	Consultant		GPV01
Emmanuel Pinto Moreira	Team Member	Program Leader		AFCC2
Faly Diallo	Team Member	Financial Officer		WFALA
Isabella Micali Drossos	Counsel	Senior Counsel		LEGAM
John Y. Ngwafon	Team Member	Senior Economist/Statistician		DECDG

Prosper R. Backiny-Yetna	Team Member	Senior Economist/Statistician			GPVDR
Senait Kassa Yifru	Team Member	Program Assistant			GPVDR
Mariama Ba Daifour	Team Member	Program Assistant			GPVDR
<b>Extended Team</b>					
<b>Name</b>	<b>Title</b>	<b>Office Phone</b>	<b>Location</b>		
<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
Democratic Republic of Congo	All provinces	All locations	x		The Population and Housing Census and other statistical data collections activities will cover the whole country.
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>					
Consultants Required ?    Consultants will be required					

## STRATEGIC CONTEXT

### A. COUNTRY CONTEXT

1. **The Democratic Republic of Congo (DRC) is one of the largest countries in Africa** with an area of 2.34 million square kilometers in Central Africa, the surface area of Portugal, Spain, Italy, France, Switzerland, Belgium, Luxembourg, the Netherlands, Germany, Denmark, Austria, and Poland together. Its population is estimated at 75 million people in 2014, 40% of which live in urban areas. The DRC is a country endowed with vast mineral wealth and huge water resources. The country has the potential to be one of the richest countries in the African continent and a driver for African growth. But decades of conflicts and bad governance have left it chronically unstable, vulnerable, lacking infrastructure and social services, and falling far short of its economic potential. As a result, DRC remains one of the poorest countries in the world with a per capita Gross Domestic Product (GDP) at US\$450 in 2013. It was ranked 186 out of 187 countries in the 2014 Human Development Index report and more than 63% of its population is considered poor.

2. **Since 2009, progress has been made through political and economic reforms.** In July 2010, the country met the Highly Indebted Poor Countries (HIPC) Completion Point, resulting in the reduction of its debt stock by roughly US\$12 billion. The economic reforms brought hyperinflation under control, and laid the foundations for strong growth. In spite of a 2009 slowdown to 2.8% prompted by the global financial crisis, GDP growth improved significantly starting in 2010 and has since remained solid above 7%. This performance is driven mainly by the extractive industries' strong performance. Public investments have also helped spur growth. Inflation fell from 53.4% in 2009 to less than 10% in 2010 and remained around 1% since 2013. Since 2006, the country is implementing a poverty reduction strategy that was renewed in 2012. The monitoring and evaluation of this process requires continuous and timely statistical information that, unfortunately, the DRC's statistical system is not able to provide at present.

### B. SECTORAL AND INSTITUTIONAL CONTEXT

3. **The DRC's statistical system is far from meeting the needs of users in terms of statistical data and its overall capacity is very weak.** According to World Bank's 2014 Country Statistical Information Database, the DRC had an overall score<sup>1</sup> of 56.7, which is below the global average of 62 and the Sub-Saharan Africa average of 58.7. Despite being low, this score is an improvement from a score of 43.3 in 2011. The improvement is partly justified by the completion of several surveys undertaken in 2012, which made available highly-demanded data (such as poverty indicators, gender data, and primary school statistics). The situation, however, remains characterized by the lack of quality and timely data in many sectors. Because of resource

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<sup>1</sup> The World Bank's Statistical Capacity Indicator is a composite score assessing the capacity of a country's statistical system. It is based on a diagnostic framework assessing the following areas: methodology; data sources; and periodicity and timeliness. Countries are scored against 25 criteria in these areas, using publicly available information and/or country input. The overall Statistical Capacity score is then calculated as a simple average of all three area scores on a scale of 0-100.

limitations, a significant part of the institutional budget is allocated to salaries and very little or none to data collection.

**4. However, the Government of DRC has focused on strengthening the country's statistical capacity by engaging in a reform of the system start since 2009.** The Government has adopted policies that create a new statistical environment in the country and aim to strengthen the capacity of the country's statistical institutions in producing quality data to support policy and decision making. In particular, the Decree No. 09/45 of December 3, 2009 establishes the attributions and organization of the National Statistical Institute (INS). It also gives the INS flexibility and technical independence to carry out its activities. In addition, the Decree No. 10/05 of February 11, 2010 defines the different bodies of the system and establishes a decentralized statistical system with INS as the central organ. The different ministries are responsible for the compilation of statistics, mainly administrative, related to their sectors while the INS is responsible for the coordination of the system. The decree also creates the National Statistical Council (Conseil National de la Statistique, CNS), to coordinate the system with the INS support. In the same vein, a National Strategy for the Development of Statistics (NSDS) was approved in August 2012. It aims to ensure effective and sustainable development of comprehensive statistics by involving all the stakeholders of the National Statistical System (NSS), particularly data producers and users. A 5-year action plan covering the period 2013-2017 was proposed for the implementation of the NSDS.

**5. However, the Decrees creating the INS and organizing the NSS have not been followed by the appropriate implementation texts, and the NSDS is weakly implemented.** Therefore, the governance mechanisms for the NSS and INS are incomplete. In particular, a Presidential ordinance is required to appoint the Director General of INS and the members of the INS board of directors (Conseil scientifique). Likewise, a Prime Ministerial decree is required to nominate the members of the Statistical Council (CNS). These measures have not been taken and, as a result, the coordination and leadership functions for the statistical system have not been appointed. It should be noted that the acting Heads of INS have been delegated to carry out all responsibilities of a DG since October 2009 and members of the Board of Directors have not yet been nominated.

**6. The diagnostic that underlined the NSDS highlighted weaknesses in three major areas: human resources, physical infrastructure and availability of statistical information.** In this regard, the NSDS has identified a number of areas that can serve as leverage to strengthen the NSS including: institutional reforms, strengthening of human, financial and material resources, production of data from different sources (such as administrative records, surveys, censuses) and improving the use and dissemination of official statistics and the availability to users.

**7. The NSS in general and particularly INS lack qualified staff to support production and publication of statistics that meet international statistical standards.** In 2012, available information for the 319 staff in the national office in Kinshasa indicated that only 77 staff (17 percent) had professional degrees in statistics (28), economics (19), demography (14), or computer science (16). Moreover, 52 percent of staff had only a primary or secondary education or a vocational training diploma. The ability of INS to adapt to new challenges is also quite limited because 34 percent of the qualified staff across all offices are near retirement age. In addition, inadequate compensation and benefits packages make it difficult for management to attract and retain qualified staff. Currently, staff wages do not reflect the actual value of statistical skills in

the local labor market. The effective monthly salary accorded to a senior staff is low: less than US250/month in 2014 including the benefits. In turn, this situation impacts considerably the staff motivation and productivity, affects the quality of the work and leads the few qualified staff to leave.

**8. Despite the weakness of its core institution, the DRC's statistical system has conducted important statistical operations in the past few years.** For example, the INS has published national accounts using the 1993 System of National Accounts (SNA) in 2014. The new GDP estimates published by the INS have integrated the informal sector based on the 2005 1-2-3 household survey. The INS has successfully produced consumer price indexes on a monthly basis, thanks to strong support from the Government. Regarding micro-data, the INS successfully completed and published the results of the second national representative household survey in 2013. With the technical assistance of the World Bank, new poverty indices have been produced and published. Also, a second Demographic and Health Survey (DHS) was completed in 2013 in collaboration with the Ministry of Health and the United States Agency of International Development (USAID). The completion of these nationally representative household surveys opened the door for many analytical works related to growth, poverty, jobs and sectorial issues like health, nutrition, education, etc. Unfortunately, all these statistical operations are based on very weak foundations (lack of population, agricultural and business censuses and sample frames).

**9. Statistical infrastructures which are the foundation for the production of reliable and accurate statistics are dramatically lacking.** The country has not undertaken a population and housing census since 1984, has not organized an agricultural census since 1974, and is yet to organize a business census. The lack of population data affects much of the statistical system and reduces the credibility of development planning and management. It affects the accuracy of statistics that incorporate population dimensions, ranging from macroeconomic statistics (such as GDP or external aid per capita) to enrollment and service access rates. Without a reliable vital registration system, existing population data in DRC are sparse or do not meet international standards. Not having a population census means that the sampling frame for household surveys is also no longer reliable. The main data sources for macroeconomic statistics are either incomplete or unreliable. For instance, the enterprise sample frame used to derive estimates on formal businesses is incomplete and outdated, although an enterprise census is planned to be organized with the support of the World Bank Statistics for Results (SRF) project. Estimates on agriculture rely also on poor and outdated information and are based on a rough methodological approach combining the population annual growth and the latest known crop production figures from 1997, assuming the same growth rates for the population and all crops output.

**10. To consolidate the recent improvements and address the lack of data, the Government has requested the World Bank's support to foster the production of statistical information with increased quality and timeliness.** In response, the Bank approved in May 2014, the DRC Catalytic Project to Strengthen the INS (P125509) funded by the SRF trust fund. The project's objective is to strengthen the capacity of the National Institute of Statistics to generate and disseminate statistical information through specific activities: supporting the cartography phase of the population and housing census, the enterprise census, training for leadership development and technical assistance for fiduciary capacity development. The current project complements, but does not duplicate, assistance provided by existing projects funded by the World Bank and other development partners. In particular, the proposed project complements the DRC Catalytic Project



to Strengthen the INS (P125509) by further enhancing the operational capacity of the INS and other entities of the National Statistical System to improve the availability of core economic and sectoral statistics, including by means of support to statistical infrastructure (Population census, Agricultural census, Enterprise census), institutional reform, human resources development, data production, management, dissemination and use.

11. **The proposed project aims to sustain the ongoing efforts to develop statistics in DRC through the development of the statistical infrastructure and human resources capacity for the production and dissemination of core economic and social statistics.** This project will address immediate data needs and will build the foundations for the production of quality statistical products in DRC. By investing in key statistical infrastructures, the project will also support human resources development through the revamping of the local statistical school, on-the job training for the current staff and technical assistance for improving staffing policies and human resources management.

### **C. HIGHER LEVEL OBJECTIVES TO WHICH THE PROJECT CONTRIBUTES**

12. **Statistics are a key input for the design and evaluation of development strategies and programs.** By supporting local capacity for the production, dissemination and use of statistics, the proposed project will help improve evidence-based decision making, which should ultimately translate into improved development outcomes, both by the Government of the DRC and its development partners, including the World Bank Group (WBG). The proposed Statistics project will also support the implementation of the NSDS and is aligned to its three key pillars: human capital, institutional resources, and data production and dissemination.

13. **Stakeholders' demand for statistics.** The need for better statistical information was a recurrent theme of the consultations for the FY2013-16 CAS and is recognized by both producers and users of statistics, including the Government, the private sector, civil society, and academics. In addition, both investment operations and analytical tasks require better statistical information than is currently available. Strengthening the information base, on which analytical work depends, will therefore support both project work and strengthen country capacity to prepare the necessary information in line with Operations Policies/Bank Policies (OP/BP) 13.60 (Monitoring & Evaluation).

14. **Project's alignment to the first Objective of the CAS which is:** "increasing state effectiveness and improving good governance". The promotion of **good governance** requires the ability to produce relevant data rapidly, which the project supports through the development of INS capacity and the proposed program of surveys.

## PROJECT DEVELOPMENT OBJECTIVES

### A. PDO

15. The development objective of this project is to strengthen the capacity of the National Statistical System to produce and disseminate core economic and social statistics.

### B. PROJECT BENEFICIARIES

16. Project Beneficiaries: The direct beneficiaries of the project are the INS, the school of statistics and selected Ministries with responsibility for the production of social and economic data. Priority has been given to agriculture statistics as well as the production of statistics related to poverty and living standards. Indirect beneficiaries are data users in DRC, including: (1) policy makers and planners; (2) researchers, associations and academia; (3) international organizations.

### C. PDO LEVEL RESULTS INDICATORS

17. **Key Results:** Progress toward the PDO will be assessed through the increased availability of quality statistical outputs produced by the INS and the Ministry of Agriculture.

#### 18. PDO Outcome Indicators:

- (a) **Production:** Number of statistical products completed and published by the INS following international standards including the (i) census cartography and associated data (inventory of public infrastructure and population size); (ii) master sample for household surveys; (iii) agricultural census; (iv) household survey (poverty indices); (v) National Accounts; (vi) GDP and Input-output tables; (vii) Yearly statistical book; and (viii) Consumer Price Index.
- (b) **Dissemination:** Number of statistical outputs with data readily available to users through the data portal;
- (c) **Human resources:** Number of qualified<sup>2</sup> staff working for the NSS (including the INS and the statistical departments of the Ministries of Education, Health, Agriculture and Finances).

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<sup>2</sup> A qualified staff is defined as a staff who holds a formal degree in statistics or a related field (demography, economics or computer science).

## PROJECT DESCRIPTION

### A. PROJECT COMPONENTS

19. The project activities will focus on areas that strengthen: (i) the statistical infrastructure that is needed for better monitoring poverty reduction and economic progress more broadly, and (ii) the human resources development and management, to create a favorable environment at the INS to attract and retain qualified and relevant staff.

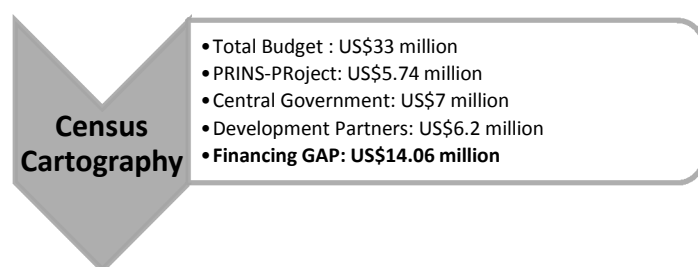
#### **Component 1: Data Production, Dissemination and Use to strengthen the statistical infrastructure for poverty and economic monitoring (US\$35.10 million)**

20. This component will finance the implementation of a program of activities designed to improve the statistical infrastructure, and the quality and timeliness of national accounts statistics, agriculture statistics, and poverty and inequality statistics produced by the NSS. The component will also support the dissemination and use of statistical information. More specifically, this component of the project will support: (i) the cartography of the population census; (ii) the implementation of a system of household surveys to monitor poverty and standard socioeconomic indicators; (iii) an agricultural census and annual agricultural production survey; (iv) methodological improvements in key data sources of National Accounts and Price statistics; and (v) data dissemination and use.

#### **Sub-component 1.1: Support to the cartography of the population and housing census (US\$14 million)**

21. The DRC Catalytic Project to Strengthen the INS (Project PRINS) (P125509), a Recipient Executed Trust Fund (RETF), is providing partial financial support to the Population Census, including the cartography: 55% of the total budget of PRINS or US\$6.49 million are allocated to the cartography and the pilot of the population census. However, this contribution represents only 4.6% of the entire budget of the Population Census and about 20% of the estimated funds needed to complete the census cartography. Despite the contributions of the Government and other development partners, there is still a financing gap of almost 42% (about US\$14 million) for the implementation of the census cartography.

**FIGURE 1: FINANCING GAP OF THE CENSUS CARTOGRAPHY**



22. The proposed project will fill the financing gap of the cartography and provide technical assistance to the INS and the Census Agency (Bureau Central du Recensement, BCR) for the analysis of the results. However the additional US\$14 million will not be disbursed unless the World Bank has received: (i) a detailed program of activities for the cartography of the population census issued by BCR; and (ii) evidence that the total budget for the cartography of the population census has been secured by BCR; all in form and substance satisfactory to the Association.

**Sub-component 1.2: System of surveys on household living conditions: poverty, inequality and jobs (US\$8.25 million)**

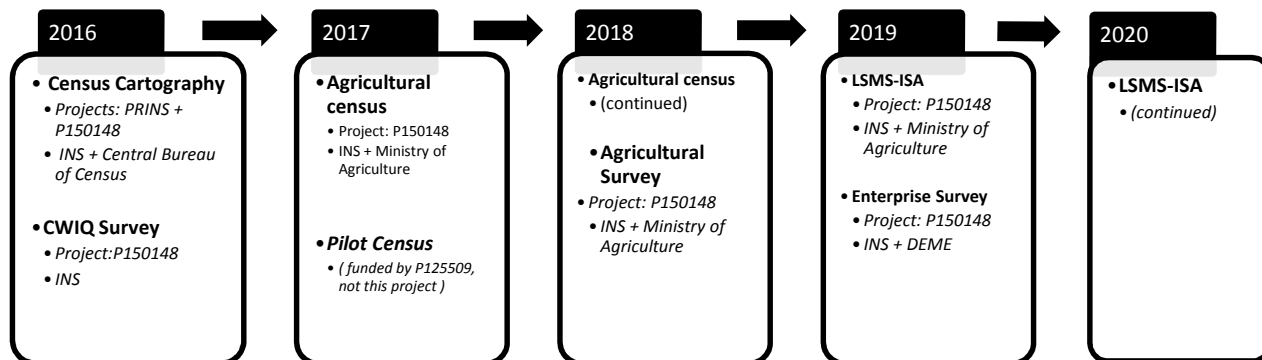
23. The aim of this sub-component is to support the DRC to design and implement a coherent and financially sustainable system of household surveys to monitor household living conditions with a multi-topic questionnaire. The coherence of the system is required to ensure comparability of estimates over time and with other countries.

24. The system would be a multi-year survey program consisting of The Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA)<sup>3</sup> type surveys representative at the sub-national level and collecting among other detailed information, data on household backgrounds, income sources, and consumption every four years. In addition, to allow for a regular monitoring of poverty levels and progress towards the Sustainable Development Goals (SDGs), the continuous survey program would include the realization of lighter Core Welfare Indicators Questionnaire Survey (CWIQ-type) representative at the national level to collect essential information for households welfare monitoring. However, if another kind of survey like Demographic and Health Survey (DHS), Multiple Indicators Cluster Survey (MICS) or Labor Force Survey (LFS) was to be organized the year that the lighter survey is scheduled, the latter could be postponed.

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<sup>3</sup> The Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA) is a system of multi-topic, nationally representative panel household surveys with a strong focus on agriculture. It is designed to improve the understanding of the links between agriculture, socioeconomic status, and non-farm income activities.

**FIGURE 2: CHRONOGRAM OF THE SURVEYS**



25. This sub-component will finance a light survey and a complete, integrated LSMS-ISA survey. More specifically, the project will finance the implementation of one light survey in 2016, one multi-topic LSMS-ISA survey in 2019 after the completion of the cartography and the agricultural census to take advantage of the availability of a more reliable sample frame. Light surveys will be developed for implementation after 2020 for standard socioeconomic indicators monitoring. The project will also finance the service of two long-term consultants (seasoned survey specialist and data analyst) who will be based in the INS in Kinshasa for four years to provide technical assistance to the institute in survey design and analysis. During their assignment, the consultants will train INS staff to ensure a transfer of knowledge to strengthen the capacity of the institute in survey design and micro-data analysis. Finally, the project will promote analysis of micro-data through trainings and knowledge products. In particular, the project will support the Congolese Poverty and Inequalities Observatory (OCPI) in the production and dissemination of analysis of selected knowledge products, with a view to inform and stimulate public debate on evidence-based policy making.

**Sub-component 1.3: Agriculture census and surveys (US\$9.8 million)**

26. This sub-component will finance the implementation of a system for the collection, processing and updating of agricultural statistics. Activities that will be supported are twofold: the National Agricultural Census (NAC), to be conducted by INS and the Ministry of Agriculture, and one annual agricultural production survey. The survey will be representative at the national level by province and agro ecological zones to account for differences in seasons, crops, livestock, practices etc.

27. More specifically, this component seeks to: (i) develop a master frame for a sample-based agricultural census; (ii) collect information on the sampled farmers through a basic questionnaire, which will be based on international standards set by the United Nations Food and Agriculture Organization (FAO) but adjusted to the national reality of the DRC; (iii) develop the baseline for defining the sample frame from which national agriculture surveys will be conducted annually; (iv) disseminate the agricultural census results; (v) make unit record data publicly available; (vi) organize one annual agricultural production survey the year following the agriculture census and; (vii) lay the groundwork for the implementation of a National Agricultural Information System (NAIS).

28. Furthermore, to ensure free access of data to users, the project will support the development in DRC of the Country STAT, a web-based information technology system for food and agriculture statistics at the national and subnational levels supported by the FAO. The database acts as a one stop center which centralizes and integrates the data coming from various sources and allows its harmonization with international standards while ensuring data quality and reliability.

#### **Sub-component 1.4: National Accounts Statistics (US\$1.8 million)**

29. This sub-component of the project will provide: (i) technical assistance and (ii) support to production and analysis of complementary data on businesses to update key macroeconomic aggregates. The project will also promote analysis of macro-data through trainings and technical assistance to the Department of Macroeconomic Studies (DEME) in production and dissemination of knowledge products to inform economic policy decisions.

30. The technical assistance on national accounts is intended to improve the production and timeliness of national accounts with the new data sources coming from the household's surveys, the agriculture census and the business census financed by the PRINS-project. In particular, the assistance will help to update the supply and use tables<sup>4</sup> and to rebase GDP to take into account the new data sources. Finally, training will be provided to INS staff to ensure sustainability of national accounts production.

31. The realization of the business census with the support of the PRINS-Project will pave the way for the production of more comprehensive business statistics to support the compilation of quality national accounts. Therefore, the current project will finance annual enterprise surveys to collect data from sampled enterprises in different sectors of the economy. The surveys will collect financial and non-financial information such as outputs, inputs, employment, production capacity utilization, finished product inventories, etc. to feed the production of national accounts.

32. The implementation of the activities related to national accounts statistics will require the project to fund the services of long and short term consultants to provide technical assistance and to train INS staff in four specific areas: (i) national accounts production, (ii) business sampling, (iii) industrial production indices (volumes and prices) and (iv) the development of input-output tables and satellite accounts and their use for policy analysis. Given that price statistics are also fundamental in monitoring economic progress and poverty reduction, the project will provide support and technical assistance for the improvement of source data and the rebasing of the Consumer Price Indices.

#### **Sub-component 1.5: Improving IT and Equipment for Data Production and Diffusion (US\$1.25 million)**

33. This sub-component will support the upgrading of the NSS statistical and IT infrastructure and data management systems for the data production activities being supported under this project. This will include: acquisition and maintenance of computer hardware, data management systems, and other equipment needed to collect, analyze, and disseminate data. Consultancy services will also be supported for: (a) development of a web-based data portal for access to NSS data for policy

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<sup>4</sup> The supply and use framework provides the most important macroeconomic aggregates such as GDP, value added, consumption, investment, imports and exports.

making, commercial, or research purposes; (b) establishment of an electronic archive to allow users to access micro-data while protecting the privacy of survey respondents and (c) development of connectivity and data transfer technology between INS headquarters and its decentralized offices.

## **Component 2: Human Resources Development and Management (US\$9.9 million)**

34. This component aims at identifying and providing support to create an enabling environment for the DRC's National Statistical System to produce and disseminate reliable statistics. The INS, as most public service agencies in DRC, suffers from major human resources challenges. This component will support the INS in attracting and retaining qualified statisticians through an effective system of Human Resources development and management. The activities to be financed under this component include: (i) Technical assistance to develop a set of guidelines for staffing and HR policies, (ii) Support for the development of the National Statistics Schools, (iii) Development of a scholarship program to support the training of Congolese students in African regional statistical schools and finally (iv) Development of a Young professional program to rejuvenate the NSS staff conditional on the successful implementation of specific institutional reforms.

### **Sub-component 2.1: Staffing and policies (US\$0.5 million)**

35. This activity will build on the organizational/functional review of the INS undertaken by the Rejuvenation project (P122229), expected to be completed by August 2015, and will establish a strategic staffing plan to enable INS to attract and retain qualified statisticians and provide the necessary support to statistics departments in line ministries. There will be a twofold approach: (a) a complete review and redrafting of existing Human Resources policies in order to align those to the specific legal framework of the INS; and (b) a strategic staffing plan that will be established for 2 or 3 years and be supported by a set of adapted guidelines elaborated to support recruitment, career management, job mobility in a decentralized environment. The staffing strategy will particularly focus on building an inter-generational transfer of know-how by supporting existing experienced staff in planning their end of career while identifying roles and responsibilities in training Young Professionals. While these activities will follow the processes defined and supported through the Rejuvenation project for retirement of civil servants in the NSS who are beyond the retirement age, it will seek ways to accelerate and ease the transition. Specific activities to be financed are:

- Technical assistance for the organizational/functional review of the INS to establish skills needs;
- Technical Assistance in drafting an operational policy manual for the development and management of Human Resources, aligned with the INS' legal framework and staffing strategy;
- Technical Assistance in developing a 3 year staffing plan adapted to the specific needs of the INS and focusing on attracting and developing a pool of qualified statisticians;
- Technical Assistance in developing an accelerated "end of career framework", and inter-generational transition plan;

- Technical assistance in developing internal procedures and collective labor agreements, as well as a new salary scale for INS staff;
- Workshop activities to support the strengthening of capacity to plan, coordinate and negotiate with unions and staff representation for the implementation of new staff policies and protocols. This includes, facilitation, training, and pedagogical support (publications, books, etc.).

### **Sub-component 2.2: Support for the development of the National Statistics Schools (US\$3.0 million)**

36. As part of the reform of its statistical system, the government intends to harmonize the training curricula of the statistics schools that will offer formal degree (equivalent to bachelor and masters) in Statistics, Demography, Applied Economics and related Information Technology. In addition to reviewing the training capacity of the local statistics schools in general and particularly the one of Kinshasa, the project will look into partnerships with countries in Africa that have already invested in building statistical capacity. These partnerships based on South-South Knowledge Exchange will also leverage basic technical curricula, particularly in French-speaking countries. Among the activities to be supported are:

- Review of the statistical training curricula and drafting of syllabi and training materials for teaching applied statistics and demography. Institutional assessment of the local statistics schools in terms of how the skills of its graduates respond to current and expected needs and where innovative learning techniques and methodology can be introduced. The assessment will present a diagnostic report along with an action plan that will be supported by the project.
- Hiring and remuneration of professors (local and international) to deliver specific courses and train local trainers;
- Support acquisition of material as needed to support students in statistical training programs, to deliver courses and resources for a computing center and Internet.

### **Sub-component 2.3: Scholarship program for the training of Congolese in the regional and national statistics and demography schools (US\$1.1 million)**

37. **The project will support formal pre-service training that will prepare Congolese for competitive examinations for admission to regional statistical and demographic schools.** The project will support all activities related to the preparation of the training and the organization of the exams. There are four regional statistical schools: *Ecole Nationale Supérieure de la Statistique et d'Économie Appliquée* (ENSAE) of Abidjan, *Institut Sous-régionale de la Statistique et d'Économie Appliquée* (ISSEA) of Yaoundé, *Ecole Nationale de la Statistique et de l'Analyse Economique* (ENSAE) of Dakar and the new *African School of Economics (ASE) of Cotonou*. Competitive exams are organized every year by the *Centre d'Appui aux Ecoles de Statistique Africaines (CAPESA- ENSAE Paris)* to select candidates for five training programs in statistics.<sup>5</sup> The regional schools define criteria and candidates who satisfied the criteria are accepted to take the competitive exams. Some of the successful candidates (usually the top three or the first) are

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<sup>5</sup> Agents techniques de la Statistique (AD), Adjoints Techniques de la statistique (AT), Techniciens Supérieurs de la Statistique (TSS), Ingénieurs de Travaux Statistiques (ITS) and Ingénieurs Statisticiens Economiste (ISE).



offered scholarships (including stipends) by Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC), the European Union, or French Cooperation to the program for which they are admitted. The project will offer scholarships (including stipends) to successful DRC candidates to the regional competitive exams who do not receive financial aid from the international institutions. The value of the financial aid will be aligned with that offered by international institutions.

38. **The project will support the scholarships** as long as the selected candidates maintain successful academic results to the end of the program in which they are enrolled. The amount of financial support might vary depending on the country in which the institution they are enrolled is located, and the amount might change from year to year to account for inflation. In addition to the scholarships, the project will provide any selected candidate with a computer and an annual lump sum amount for books required for the program in which they are enrolled. Candidates selected will sign binding contracts committing them to work for the NSS for five years after graduation. Any student who opts out of NSS employment before the five years are up will be required to reimburse the NSS for the total amounts received. The employment contract will specify that candidates who leave early will gradually reimburse the NSS for all financial aid received.

#### **Sub-component 2.4: Young Professionals Program (US\$2 million)**

39. Conditional on a successful implementation of the activities outlined in sub-component 2.1 and the receipt of a proof by IDA that a director general of the National Institute of Statistics, the Project Implementing Entity, has been confirmed in form and substance satisfactory to the Association, the project will support the hiring and remuneration of “Young Professionals” on qualified assignments in the NSS through a Government owned “Young Professionals Program” outlined by the Rejuvenation project. The project will fund a pool of 50<sup>6</sup> Young Professionals (YP) selected based on job profiles for which staffing is needed through a transparent competitive process. The project will rely on the mechanism designed by the Rejuvenation project for the purpose of remuneration of the YPs. The selection criteria of candidates and the competition will be defined in close collaboration with the INS and an independent institution whose selection is satisfactory to the World Bank.

#### **Sub-Component 2.5: Project Management (US\$3.30 million)**

40. This sub-component will support activities (i) to foster the coordination of statistical operations and (ii) to strengthen the capacity of the Project Coordination Unit (PCU), to be located in the National Institute of Statistics, to implement the project effectively. Through this sub-component, the project will finance technical advisory services, non-consulting services, training, goods, and operating costs. In particular, the PCU will ensure day to day coordination, implementation and management (including, fiduciary aspects, monitoring and evaluation, carrying out of audits and reporting) of Project activities. In particular, the PCU will (a) prepare annual work plans and budgets; (b) carry out all disbursements and any financial management and procurement-related activities in accordance with World Bank–approved procedures; (c) prepare and consolidate periodic progress reports; (d) monitor and evaluate project activities; (e) coordinate with other stakeholders on issues related to the project; and (f) provide administrative

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<sup>6</sup> The NSDS stated that at least 350 qualified statisticians are needed to meet the immediate needs of the NSS.

support to beneficiary institutions, in accordance with the Project Implementation Manual. It will consist of a PCU coordinator, a Monitoring and Evaluation (M&E) Specialist, a Procurement Specialist, and a Financial Management Specialist. The core PCU team will be supported by a set of consultants: an Information Technology (IT) Specialist, and Human Resources (HR) Specialist, technical staff (including, survey specialist, national accounts specialist) and sectoral focal points. It will ensure that progress is reported quarterly to the Project Steering Committee, the High Commission of Statistics, the World Bank, and other authorities. Finally, in order to ensure that statistical operations are well coordinated within the NSS, the project will support (i) the production and the use of operational manuals for the production of core statistics and (ii) the update and dissemination of the organizational charts of the NSS to ease the methodological oversight role of the INS in the production of core statistics. This sub-component will also support the purchase of office supplies, furniture and material as needed to implement day to day activities of the project.

## B. PROJECT FINANCING

41. The project will be financed through an International Development Association (IDA) grant of US\$45 million equivalent under an Investment Project Financing (IPF) instrument. World Bank support is planned for five years (2016–20). Table 1 shows the estimated budget for the different components.

**Table 1: Project Cost and Financing**

Project Components	Project cost (US\$ 1000)	IBRD or IDA Financing	% Financing
<b>Component 1: Data production, Dissemination and Use</b>	<b>35.1</b>	<b>35.10</b>	<b>100</b>
Sub-Component 1.1 Support to the cartography of the population census	14.0	14.0	100
Sub-Component 1.2: System of survey on households living conditions	8.25	8.25	100
Sub-Component 1.2: Agricultural census and survey	9.8	9.8	100
Sub-Component 1.3 National Accounts Statistics	1.8	1.8	100
Sub-Component 1.4: IT and Equipment for Data production and diffusion	1.25	1.25	100
<b>Component 2: Human resources development and management</b>	<b>9.90</b>	<b>9.90</b>	<b>100</b>
Sub-Component 2.1 Staffing and Policies	0.5	0.5	100
Sub-Component 2.2: Development of National Statistics School	3.0	3.0	100
Sub-Component 2.3: Scholarship for training in regional statistics schools	1.1	1.1	100
Sub-Component 2.4: Unallocated fund for Young Professional Program	2	2	100
Sub-Component 2.5: Project Management	3.30	3.30	100
<b>Overall Total</b>	<b>45.0</b>	<b>45.00</b>	<b>100</b>

## IMPLEMENTATION

### A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

42. **INS is the implementing agency for the project:** In accordance with the Government's vision to develop national capacity, which is shared by the World Bank, the project will be managed and implemented by INS. External audits will be undertaken by private firms acceptable to the World Bank. Some training activities may be contracted out to private-sector or public-sector actors (e.g., other countries' national statistical offices). Training and technical assistance will be provided to support implementation, since INS has limited experience with large projects. The PCU will be located in the INS and will be responsible for day-to-day project management. The PCU team will include a manager, a Financial Management Specialist, a Procurement Specialist, a Monitoring and Evaluation Specialist and an Assistant. The project will have focal points for their respective sectors (Ministries of Agriculture, Health, Education, Finance and Trade).

43. **The Project Steering Committee:** The Project Steering Committee (PSC) will be headed by a representative of the Ministry in charge of statistics and consist of members of the thematic group in statistics; it will oversee, promote, coordinate, support, monitor, and evaluate progress. The PSC and the National Council of Statistics will identify the goals and the NSS mission and promote awareness of these throughout the NIS, emphasizing shared values that should be reflected in achieving the goals.

44. **Work program and budget allocation:** The PCU will prepare an integrated multi-year work plan based on the activities proposed by this project. Each year the budgeted work plan will be derived from the multiyear plan and submitted for PSC review and then World Bank approval.

45. **Project policies and procedures** will be published in an implementation manual, which will be adopted by the PSC. It will include or be complemented by protocols based on the Data Quality Assessment Framework (DQAF) to guide activities. The PCU and the Bank will work to ensure consistency with the protocols and the manual. (The arrangements are detailed in Annex 3.)

46. **The PSC will meet semi-annually to assess performance, intermediate results, and outcomes.** The first meeting will be no later than eight months after the project begins. An independent assessment before the meeting will ensure that data production is performed according to predefined protocols. The review meeting, chaired by the representative of the ministry in charge of statistics, will involve members of the NSS and statistical information and services users. The meeting gives the PCU and beneficiaries a platform for reporting progress to authorities, clients, and partners. The committee will (a) facilitate coordination of the project; (b) review and recommend for World Bank approval proposed annual work plans and budgets; and (c) review progress toward achievement of project objectives and make recommendations for removal of any obstacles.

### B. RESULTS MONITORING AND EVALUATION

47. **The project M&E system focuses on accountability for results and flexible M&E to encourage better performance and greater "ownership."** It moves beyond the usual tracking of inputs and outputs to emphasize intermediate outcomes and processes.

48. **Functional M&E:** The project results framework covers monitoring for the critical activities. The monitoring indicators are set out in Annex 1. Every six months, a workshop will bring together the INS, the Ministry of Plan, and all project stakeholders and beneficiaries to assess progress. The first will be conducted no later than six months after the project begins. The workshops will offer regular opportunities for learning from collective experience, self-assessment, and exchange of success stories and for discussion of errors and reasons for any delays. This dynamic approach is a complement to the project's static results framework. At these periodic workshops, the discussions should go beyond quantitative measurement of progress to focus on qualitative improvements that will help move the project forward.

### C. SUSTAINABILITY

49. Project sustainability revolves around (i) financial sustainability, which affects the ability to continue carrying out key data collection activities, and making efficient use of resources after the end of the project; and (ii) technical, which is related to the ability to continue training, attracting, and motivating staff, so as to maintain the expected improvement in the quality of human resources that the projects intends to achieve.

50. **Financial sustainability.** There are three aspects of this project that are expected to contribute to its financial sustainability. First, the investment in statistical infrastructure (cartography of population census and agricultural census) and the development of a program of continuous surveys will facilitate future statistical operations, reducing their costs and improving their quality. This will incentivize the funding of statistical production in the future, both by the government and its development partners. Second, the activities to be supported in order to promote the use of statistics will also help stimulate demand for statistics from the government, development partners, civil society, and other stakeholders. Increasing demand for statistical information is expected to translate into sustained budgetary support from the government and development partners. Finally, with the support of the Rejuvenation project (P122229), the activities proposed in Sub-component 2 are expected to allow the INS to better control the stock and flow of its personnel which will provide fiscal space to apply an adequate salary scale for its staff.

51. **Technical sustainability.** Through its component 2 and in coordination with the Rejuvenation project, this project aims to ultimately change the profile of the INS staff, by removing staff who are beyond retirement age from the roster and replacing them with younger, better trained staff with better salaries. In addition, the project aims to develop human resources through the development of local statistical schools to provide qualified statisticians to meet the NSS needs. Also, the scholarship program is designed to support the training of DRC students in regional schools of statistics to increase the NSS human resources capacity. With more better-qualified staff and appropriate incentive and management structures, the NSS will be able to fulfill its mission more effectively. As the NSS performs better, this will also have a positive impact on its financial and technical sustainability, as it will increasingly be asked to implement statistical work outside its routine activities, which will reinforce its financial resources and capacities. On-the-job training programs under the data production activities supported by the project will support continuous improvements in staff capacity and will allow for renewal of skills. This on-the-job training will be enhanced by a close partnership with the *Institut supérieur de la statistique* (Statistical training school, university-level) including through a comprehensive formal pre-

service training program that will ensure that new personnel are trained to international standards. Finally, the implementation of institutional reforms to establish the leadership team of the INS is expected to improve the management of the INS and reduce its vulnerability to potential political pressure which are essential to the sustainability of the production and diffusion of reliable statistics.

## KEY RISKS

### A. OVERALL RISK RATING AND EXPLANATION OF KEY RISKS

#### Risk Rating Summary

Categories	Rating
Political and Governance	High
Macroeconomic	Moderate
Sector Strategies and Policies	Moderate
Technical Design of Project or Program	Moderate
Institutional Capacity for Implementation	Substantial
Fiduciary	High
Environmental and Social	Low
Stakeholders	Substantial
<b>Overall</b>	<b>Substantial</b>

52. The main potential risks to the proposed project are related to the governance of the statistical system, its vulnerability to political pressure, institutional and human resource weaknesses, and fiduciary issues. There are also political and security risks, as well as risks of delays in key statistical outputs that serve as inputs to other activities of the project.

53. **Governance of the statistical system.** The pending regulations to establish the attributions and organization of the National Statistical Institute (INS), the non-appointment of the head of INS and the members of the INS board of directors (Conseil scientifique) could potentially hinder the success of the overall project. To mitigate this risk, the funding for the young professional program component, which is important for the Government, is conditional to the implementation of the respective regulations and the establishment of the leadership team for the INS.

54. **Lack of a formal mechanism to protect the INS from potential political pressure.** An independent and strong Statistical Office is a prerequisite for reliable statistics information. However, there is no institution to support the independence of the INS vis-à-vis political pressure. The fact that the senior management team of the INS has not been confirmed compounds its vulnerability to political interference. This project will mitigate this risk in two ways: First, the project will provide technical assistance to facilitate the implementation of the organizational reform of the NSS, including the setup of the National Council of Statistics (Conseil National de la Statistique, CNS) and the establishment of the INS Board of directors (Conseil scientifique) and the independent audit body of the INS. Second, the project will support the publication of statistical

outputs following a predefined calendar (including press releases) to reduce the risk of data manipulation.

55. **Weak human resources and institutional capacity.** A sustainable development of statistics in the DRC requires an improvement in the supply of well-trained statisticians and an improved ability of the National Statistical System to attract them and retain them. The Project will mitigate this risks in four ways. First, the project will support a complete review and redrafting of existing Human Resources policies. Second, a full-time HR specialist will be hired as a member of the implementation team. The role will be to coordinate and evaluate specific HR activities implementation of policies and practices and to build capacities of NIS staff. Third, the project will support the reform of the "Institut Supérieur de Statistique de Kinshasa" for a comprehensive review of the statistical training curricula and the development of an appropriate syllabus. The project will also support an agreement with regional and statistics schools to train young Congolese in statistics, applied economics, demography and information system management. Fourth, in coordination with the Rejuvenation project, this project will support the retirement of civil servants in the NSS who passed the retirement age, the transfer to the Ministry of Public Service of workers who lack the required skills to work at the INS and the recruitment of new young professionals selected based on job profiles for which staffing is needed through a transparent competitive process.

56. **Fiduciary risks are high. To mitigate these, the project will build on the PRINS project (P125509)** to build in house-capacity. In the meantime, the procurement unit of the PRINS project will be used. Other mitigations measures of financial management risks are described in Section C of the Appraisal Summary (VI).

57. **Lack of security in conflict areas might affect data collection.** The risk is that some statistics would not have national coverage if data collection is not possible due to inability to send enumerators to conflict affected areas. The team will make the necessary effort to adapt data collection strategies to local security conditions so as to maximize national coverage.

58. **The 2015 and 2016 elections might be marred by violence and contestations which in turn will impact the achievement of the PDOs of this project.** This risk is beyond the scope of this project and will affect the entire World Bank's portfolio in DRC.

59. **A delay in the implementation of the census cartography will delay the agricultural census and the LSMS-ISA.** To mitigate this risk, the team is hiring through the PRINS project (P125509) two international consultants: a census cartography expert and a logistician for the preparation and implementation of the cartography.

60. The project will aim at tackling key weaknesses of the statistical system such as: scarcity of qualified human resources, weak absorption and retention capacity of well-trained statisticians and weak institutional frameworks. However, given the presence of high capacity and governance risks and the country's weak track record in terms of the pace of public sector reforms, the overall risk rating is considered to be substantial at the implementation stage.

61. There are significant risks associated with the implementation of the institutional reform agenda, in particular where it involves redeployment and retrenchment. Institutional reform can

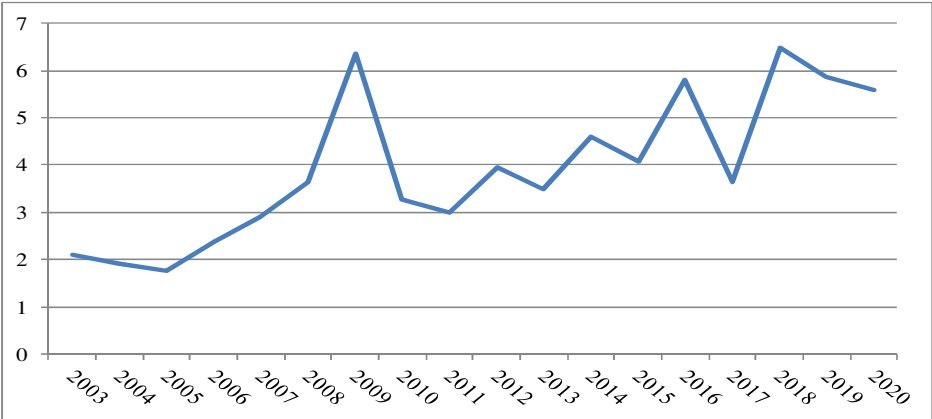
be difficult to implement even with the necessary change management processes in place. However, there is clear evidence of commitment by the INS and the Ministry of Plan to reform. The risks will be further mitigated by working with the INS to support implementation of its reform strategy, including through technical assistance and training provided under both this project and the previous DRC Catalytic Project to Strengthen the INS (P125509).

**APPRAISAL SUMMARY**

**A. ECONOMIC AND FINANCIAL ANALYSIS**

62. The statistical activities supported in this project involve the generation and provision of products that are public in nature. In the current environment, they offer limited opportunities for revenue-generation, because they are financed by public funds and Official Development Assistance. In this context, a comprehensive economic analysis is not undertaken, aside from the formal training component, although indicative information for the economic benefits is presented below.

**FIGURE 3: INCREMENTAL CAPITAL-OUTPUT RATIO FOR THE DEMOCRATIC REPUBLIC OF CONGO**



Source: staff estimates based upon IMF data.

63. **Economic benefits of better information.** Accurate information is important to a range of business decisions but its impact on economic development is best illustrated through its potential effect on the efficiency of investment decisions. During the immediate post-conflict period, the DRC was deprived of capital and most investments made a significant contribution to output. However, over time, it has become more difficult to identify high-return investment opportunities, which has been reflected in a decreasing impact of investment on growth: the incremental capital output ratio (ratio of investment to growth) has doubled from 2 to 4 over the last ten years and is projected to reach 6 later this decade (see Figure 3 above). Better statistical information is expected to help counter this trend by facilitating the identification and targeting of high return investments projects, allowing the same growth rate to be realized with a more modest capital outlay.

64. **The project will have a direct impact on the way the NSS is organized, financed, and operated.** The availability of both reliable and timely statistics and seasoned statisticians will certainly make it easier to assess the DRC’s socioeconomic situation. It will also lead to a more

advanced system for M&E of development policies. Better data production and analysis are expected to (a) inform public debate on matters of economic, financial, and social concern and (b) lead to better targeting of public policies and more efficient use of public resources.

65. **Government investment is necessary to produce good-quality statistics.** The private sector may have an interest in specific statistics but is unlikely to invest in a complete statistical system. Statistical information underpins transparency and openness of public policy and business decisions.<sup>7</sup> Statistics are a public good; affect a wide range of economic, financial, and social domains; and present positive externalities for many economic agents. The DRC government is thus the only agent well-positioned to finance the production and distribution of quality statistics.

66. **Direct economic benefits for INS.** A conservative analysis done elsewhere in Africa shows that the cost of training a Statistician and Economist Engineer (*Ingénieur Statisticien Economiste*, ISE) can be recouped by savings provided relative to two months of an international consultant's time, even including salary costs for the young staff<sup>8</sup>. This analysis shows that there are important returns to investing in staff training and hiring trained statisticians, rather than relying on local and international consultants to carry out routine work. In the case considered, the services of one month of a resident international consultant represented four years' salary for a young statistician and nearly two years' salary if the three years' training costs are included.

## B. TECHNICAL

67. **Technical design:** The design of the project is based on the analysis of the Congolese NSS. The proposed activities—related to HR, institutional arrangements, and statistical infrastructure and operations—and the choice of technology are appropriate to NSS needs and in line with good international practices.

## C. FINANCIAL MANAGEMENT

68. In accordance with the Financial Management Manual issued in November 2005 as revised on March 2010, the financial management arrangements of the National Statistical Institute (INS) have been assessed to determine whether they are acceptable to the Bank with consideration for the country's post conflict situation. To this end, the team has reviewed the financial management aspects of the World Bank-financed DRC Catalytic Project to Strengthen the INS (PRINS) - P125509. While the proposed project will benefit from improvements in financial management arrangements promoted at INS by the PRINS project, the project will promote further strengthening of INS's FM arrangements to build in house-capacity and implement additional risk mitigation measures as described below. The proposed arrangements aim to facilitate the disbursements of the project's resources and to ensure their effective use, to the extent possible, using the country's own financial management systems. The overall FM risk at project preparation is considered Substantial. The proposed financial management arrangements including the

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<sup>7</sup> It even helps individuals to make decisions.

<sup>8</sup> See "Implementation Completion and Results Report (IDA-38780) on a credit in the amount of SDR 6.7 million (US\$10 million equivalent) to the Government of Burkina Faso for the Development of the National Statistical System Project", World Bank Report Number 1991.



mitigation measures for this project are considered adequate to meet the Bank's minimum fiduciary requirements under OP/BP10.00.

69. The FM review revealed that the following actions will need to be completed (i) the updating of the PRINS's existing manual of procedures to capture the specificities of the new project, ensure adequate ownership by the new stakeholders, and strengthen the anti-corruption aspects. (ii) the recruitment of one additional accountant dedicated to the new project; (iii) the configuration of the accounting software acquired under PRINS's financing to reflect the new project specificities; (iv) the extension of the work-program of the PRINS's internal audit Unit to the new project; and (v) the recruitment of an independent external auditor in compliance with acceptable Terms of Reference.

FM arrangements are included under Annex 3.

#### **D. PROCUREMENT**

70. Procurement activities for this project will be carried out by the Procurement Unit that INS will set up. While awaiting the creation of the procurement unit within the INS, the implementation of the procurement activities will be managed by the Ministry of Planning's procurement unit (CGPMP). However, all the decisions on technical matters and procurement issues will be endorsed and approved by INS as the responsible entity for the project.

71. Given: (i) the country context and associated risk; (ii) the fact that the INS procurement unit is not yet set up; and (iii) that the CGPMP of the Ministry of Planning will meanwhile handle the procurement activities despite the fact that it does not yet have all the necessary skills and experience; **the procurement risk is rated High.**

Procurement arrangements are detailed in Annex 3.

#### **E. SOCIAL (INCLUDING SAFEGUARDS)**

72. **The project will have no social safeguards risk.** The social impact is expected to be positive because it will nurture public debate on matters of economic, financial, and social concern and better target public policies and use of public resources.

#### **F. ENVIRONMENT (INCLUDING SAFEGUARDS)**

73. The activities to be funded by the project are limited mainly to data production and dissemination and use. The project will support building of HR capacity and create career development conditions that will make NSS a more effective institution. It will not fund any civil works that could have adverse environmental or social impacts.

#### **G. WORLD BANK GRIEVANCE REDRESS**

74. 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 [www.worldbank.org/grs](http://www.worldbank.org/grs). For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## ANNEX 1: RESULTS FRAMEWORK AND MONITORING

### Democratic Republic of Congo: Statistical Development Project

**TABLE 1.1: RESULTS FRAMEWORK**

<b>Project Development Objectives</b>											
The development objective of this project is to strengthen the capacity of the National Statistical System to produce and disseminate core economic and social statistics.											
These results are at <span style="float: right; border-left: 1px solid black; padding-left: 5px;">Project Level</span>											
<b>Project Development Objective Indicators</b>											
Indicator Name	Core	Unit of Measure	Base-line	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				2016	2017	2018	2019	End Target			
Number of statistical products completed and published by the INS following international standards including the (i) census cartography and associated data (inventory of public infrastructure; population size), (ii) master sample; (iii) agricultural census, (iv) household survey (poverty indices), (v) National Accounts, (vi) GDP and Input-output tables, (vii) Yearly statistical book and (viii) Consumer Price Index.	<input type="checkbox"/>	Number	0	1	2	4	5	5	Semi-annual	INS and sectorial statistical departments	INS, Sectorial statistical departments Project Coordinator
Number of statistical outputs with data readily available to users through the data portal	<input type="checkbox"/>	Number	1	3	4	5	5	6	Semi-annual	INS and sectorial statistical departments	INS, Sectorial statistical departments Project Coordinator
Number of qualified staff working for the NSS	<input type="checkbox"/>	Number	151	155	180	200	220	240	Annual	Independent Assessment Report	INS DG's Office and Government

**TABLE 1.2: DESCRIPTION (DEFINITION)**

<b>Project Development Objective Indicators</b>	
Indicator Name	Description (indicator definition)
Number of statistical products compiled and published following international standards including (i) social and (ii) economic statistics.	The statistical outputs include: Consumer Price Index, Poverty Indices, National Accounts, GDP and Input-output tables, Census cartography, Agricultural census, and the National master sample frame, Yearly statistical book.
Number of qualified staff working for the NSS	Number of staff who holds a formal degree in statistics or a related field (demography, economics or computer science)

**Annex 1: Results Framework and Monitoring**  
**Democratic Republic of Congo: Statistical Development Project**

**TABLE 1.1: RESULTS FRAMEWORK**

Indicator Name	Core	Unit of Measure	Base-line	Cumulative Target Values					Frequency	Data Source/	Responsibility for
				Methodology	Data Collection	2016	2017	2018		2019	End Target
<b>Intermediate Results (Component 1): Data Production, Dissemination and Use</b>											
Overall DRC Statistical Capacity score	<input type="checkbox"/>	Score	56.7	56.7	58	59	60	61	Annual	WB Statistical Capacity Indicator	Internationally recognized indicator
Base Year of Consumer Price Index is updated		Yes/No	No	No	Yes	Yes	Yes	Yes	Annual	INS	INS Department of Economic Statistics
A Master sample Frame is developed from the Census Cartography		Yes/No	No	No	No	Yes	Yes	Yes	Annual	INS	INS Department of Demographic & Social Statistics
Agricultural Census is implemented		Yes/No	No	No	No	Yes	Yes	Yes	Annual	INS	INS & Department of Statistics of the Ministry of Agriculture
Living Standards Measurement Study – Integrated Surveys on Agriculture is implemented		Yes/No	No	No	No	No	Yes	Yes	Annual	INS & Ministry of Agriculture	INS & Department of Statistics of the Ministry of Agriculture
Agricultural survey is implemented		Yes/No	No	No	No	Yes	Yes	Yes	Annual	INS & Ministry of Agriculture	INS & Department of Statistics of the Ministry of Agriculture
Base Year of National Account is updated		Yes/No	No	No	No	No	No	Yes	Annual	INS	INS Department of Economic Statistics
Datasets Available on INS website	<input type="checkbox"/>	Number	0	1	2	3	4	5	Annual	INS Website	INS
Annual Reports available on INS website	<input type="checkbox"/>	Number	0	1	2	3	4	5	Annual	INS Website	INS

**Annex 1: Results Framework and Monitoring**  
**Democratic Republic of Congo: Statistical Development Project**

**TABLE 1.1: RESULTS FRAMEWORK**

Indicator Name	Core	Unit of Measure	Base-line	Cumulative Target Values					Frequency	Data Source/	Responsibility for
				2016	2017	2018	2019	End Target		Methodology	Data Collection
				<b>.Intermediate Results (Component 2): Human Resources Development and Management</b>							
Number of technical training courses developed and validated by National Schools of statistics	<input type="checkbox"/>	Number	0	0	0	5	5	5	Annual	Number of statistics courses in training curriculum	National Schools of Statistics
Number of statisticians or equivalent graduated from National and Regional Statistics or Demography Schools with the project's support	<input type="checkbox"/>	Number	0	0	0	0	50	75	Annual	Independent Assessment Report	National and Regional Statistics and Demography Schools, INS
Total number of YPs recruited and financed by the project	<input type="checkbox"/>	Number	0	0	25	50	75	100	Annual	INS Staffing reports	INS Human resources department

## **ANNEX 2: DETAILED PROJECT DESCRIPTION**

### **COUNTRY: Democratic Republic of Congo Statistics Development Project**

#### **PROJECT DESCRIPTION**

1. As detailed before, statistical capacity in DRC is very weak and the data gaps are enormous. Given the magnitude of the challenge, the project will prioritize activities that are needed to lay down the foundations for a sustainable statistical system in DRC. Ultimately this is expected to translate into an increased availability of up-to date quality and reliable data needed to make informed decisions, implement adequate development policies, and monitor their progress.
2. Specifically, the project activities will focus on areas that strengthen: (i) the statistical infrastructure that is needed for better monitoring poverty reduction and economic progress more broadly, and (ii) the human resources development and management, to create a favorable environment at the INS to attract and retain qualified and relevant staff.

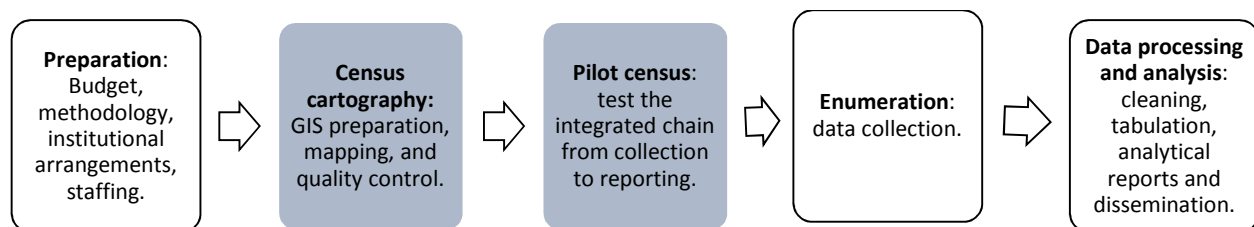
#### **Component 1: Data Production, Dissemination and Use to strengthen the statistical infrastructure for poverty and economic monitoring (US\$35.10 million)**

3. Data quality is a cornerstone of statistical work in any country. In DRC, lack of quality has been identified as one of the factors limiting data use. The long-term goal of DRC's national statistical system is to evolve into a system that delivers reliable and relevant statistical information. To that end, a set of statistical products needed for a robust statistical infrastructure is required to improve the quality and the reliability of data. This includes an up to date sample frame for household surveys, as well as businesses and agricultural censuses. For instance, in DRC an agriculture census is a particularly important piece of the country's statistical system since (i) it represents the starting point for any reliable agricultural information system; and (ii) the sector remains the main source of income for the majority of the population, hence an important poverty reduction driver.
4. This component will finance the implementation of a program of activities designed to improve the statistical infrastructure, and the quality and timeliness of national accounts statistics, agriculture statistics, and poverty and inequality statistics produced by the NSS. The component will also support the dissemination and use of statistical information. More specifically, this component of the project will support: (i) the cartography of the population census; (ii) the implementation of a system of household surveys to monitor poverty and standard socioeconomic indicators; (iii) an agricultural census and annual agricultural production survey; (iv) methodological improvements in key data sources of National Accounts statistics; and (v) data dissemination and use. Given that price statistics are also fundamental in monitoring economic progress and poverty reduction, the project will provide support and technical assistance for the improvement of data source and the rebasing of the Consumer Price Indices.

### Sub-component 1.1: Support to the cartography of the population and housing census (US\$14 million)

5. A population and housing census provides necessary information for standard poverty monitoring indicators, provides the master sampling frame for household surveys, and poverty maps and supports sector planning and monitoring. The population census consists of a number of phases including cartography, pilot census, enumeration and data processing, as shown in Figure 1A. The total cost of the census is estimated at around US\$140 million. The cartography will be based on contemporary practices in census cartography using geographic information systems to collect geographical coordinates of all dwellings as well as all social infrastructure such as schools, health facilities, markets, community clean water deliverance points, etc. The DRC Catalytic Project to Strengthen the INS (PRINS)-Project (P125509) has emphasized two key phases of the census that will deliver concrete and sustainable results for the country statistical infrastructure: the cartography phase and the pilot census.

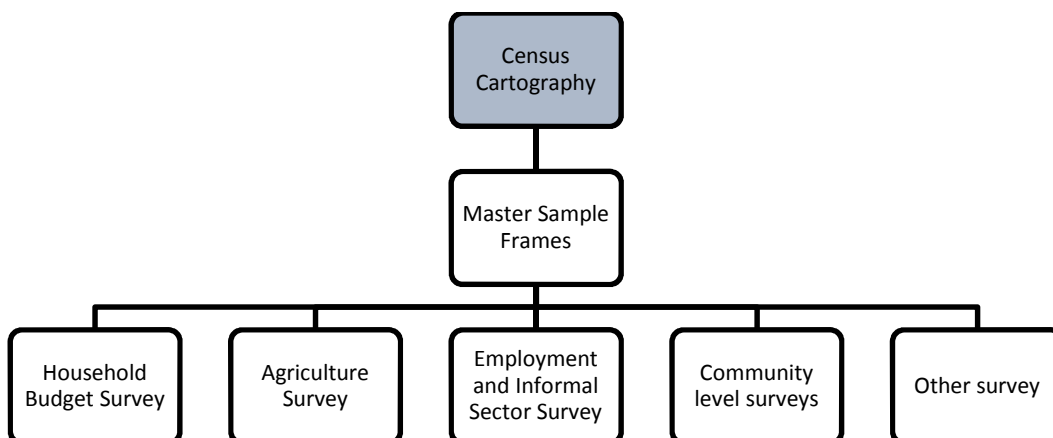
**FIGURE 1A: PROJECT SUPPORT TO THE POPULATION AND HOUSING CENSUS PHASES**



*Note:* Phases supported by Project PRINS (P125509) are in blue.

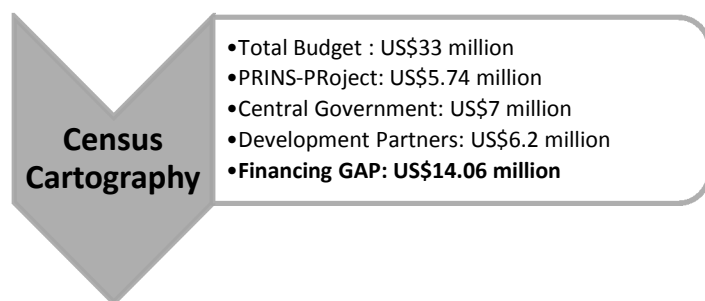
6. The outputs of the cartography are essential for the success of the census operation. It divides the whole country into small units, known as Enumeration Areas (EAs) and provides them with clearly defined boundaries, with a view to avoid overlaps and ensure full coverage of the territory. This ensures a complete coverage of the population during the enumeration period, so that every person in the country is enumerated in the census and no one is missed or double counted. The EA maps help to assess the workload, hence the related census resource requirements. Cartographic presentations of census results support the identification of local patterns of important demographic and social indicators. The cartography results are used as infrastructure for other statistical purposes. A key output of the cartography phase, as designed in the DRC, will be a master sampling frame for future surveys (Figure 1B). Indeed, while in many population censuses the household survey sample frame is only available after the completion of the enumeration phase, the methodology developed in the DRC for the cartography phase includes not only the collection of geographical coordinates of all settlements and social infrastructure, but also the counting and the size of all households living in the identified dwellings. This will guarantee the availability of a reliable sample frame for household surveys upon completion of this phase. Moreover, a mapping and inventory of all social facilities (health, education and other infrastructure) will be produced and made publicly available upon completion of the cartography. This would be the first time that the ministries of health, water and education have a detailed inventory of their facilities.

**FIGURE 1B: SELECTED OUTPUTS AND USE OF THE CENSUS CARTOGRAPHY RESULTS**



7. The outputs of the cartography are critical for at least two statistical operations funded by the proposed project. The master sample frame is indeed necessary to implement the agriculture census and the system of household surveys. An RETF (Project PRINS (P125509)) is providing partial financial support to the Population Census, including the cartography: 55% of the total budget of PRINS or US\$6.49 million are allocated to the cartography and the pilot of the population census. However, this contribution represents only 4.6% of the entire budget of the Population Census and about 20% of the estimated funds needed to complete the census cartography and despite the contributions of the Government and other development partners there is still a financing gap of almost 42% (about US\$14 million) for the implementation of the census cartography.

**FIGURE 1C: FINANCING GAP OF THE CENSUS CARTOGRAPHY**



8. The proposed project will fill the financing gap of the cartography and provide technical assistance to the INS and the Census Agency (Bureau Central du Recensement, BCR) for the analysis of the results. However, the additional US\$14 million will not be disbursed unless the World Bank has received: (i) a detailed program of activities for the cartography of the population census issued by BCR; and (ii) evidence that the total budget for the cartography of the population census has been secured by BCR; all in form and substance satisfactory to the Association.

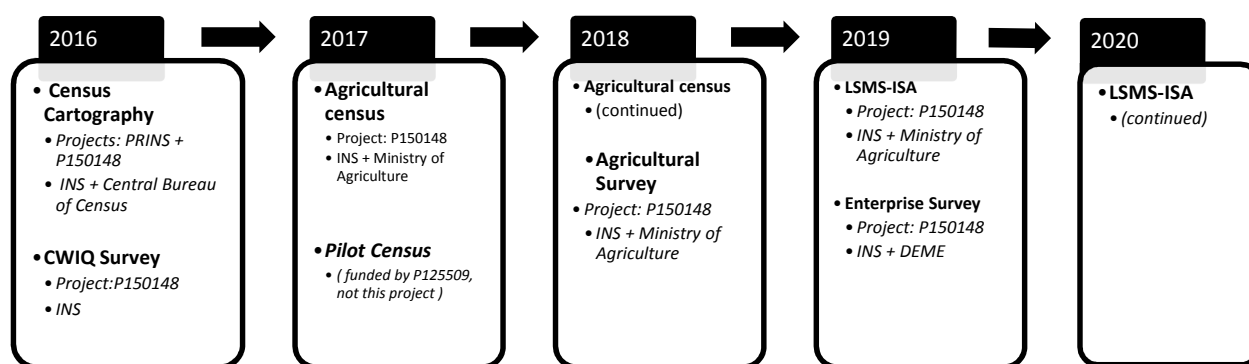


## Sub-component 1.2: System of surveys on household living conditions: poverty, inequality and jobs (US\$8.25 million)

9. In recent years, the INS has conducted two national household surveys (Enquête 1-2-3 2005 and Enquête 1-2-3 2012) that were used for poverty analysis. The two surveys have used the same methodology and questionnaire which has facilitated comparison over time. However, they have been done on ad hoc basis depending on availability of funding. This might explain why it took seven years to organize another survey. The aim of this sub-component is to support the DRC to design and implement a coherent and financially sustainable system of household surveys to monitor household living conditions with a multi-topic questionnaire. The coherence of the system is required to ensure comparability of estimates over time and with other countries.

10. The system would be a multi-year survey program consisting of The Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA)<sup>9</sup> type surveys representative at the sub-national level and collecting among other detailed information, data on household backgrounds, income sources, and consumptions every four years. In addition, to allow for a regular monitoring of poverty levels and progress towards the Sustainable Development Goals (SDGs), the continuous survey program would include the realization of lighter Core Welfare Indicators Questionnaire Survey (CWIQ-type) surveys representative at the national level in between the LSMS-ISA surveys to collect essential information for households welfare monitoring. However, if another kind of survey like Demographic and Health Survey (DHS), Multiple Indicators Cluster Survey (MICS) or Labor Force Survey (LFS) was to be organized the year that the lighter survey is scheduled, the later could be postponed.

FIGURE 2: CHRONOGRAM OF THE SURVEYS



11. This sub-component will finance a light survey and a complete, integrated LSMS-ISA survey. More specifically the project will finance the implementation of one light survey in 2016, one multi-topic LSMS-ISA survey in 2019 after the completion of the cartography and the agricultural census to take advantage of the availability of a more reliable sample frame. Light surveys will be developed for implementation after 2020 for standard socioeconomic indicators monitoring. Because the comparability of light and full survey outcomes could be challenging a data production protocol will be developed at the inception of the continuous survey program to ensure

<sup>9</sup> The Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA) is a system of multi-topic, nationally representative panel household surveys with a strong focus on agriculture. It is designed to improve the understanding of the links between agriculture, socioeconomic status, and non-farm income activities.

the LSMS-ISA and subsequent surveys be comparable to each other and to the existing 1-2-3 surveys. Given the limited statistical capacity at the INS and before the expected improvement of the situation through the support of the project on human resources, the project will also finance the service of two long-term consultants (seasoned survey specialist and data analysts) who will be based in the INS in Kinshasa for four years to provide technical assistance to the institute in survey design and analysis. During their assignment, the consultants will train INS staff to ensure a transfer of knowledge to strengthen the capacity of the institute in survey design and micro-data analysis. Finally, the project will promote analysis of micro-data through trainings and knowledge products. In particular, the project will support the Congolese Poverty and Inequalities Observatory (OCPI) in the production and dissemination of analysis of selected knowledge products, with a view to inform and stimulate public debate on evidence-based policy making.

### **Sub-component 1.3: Agriculture census and surveys (US\$9.8 million)**

12. Accounting for about 30 percent of Gross Domestic Product (GDP) in 2012 and supporting two-thirds of the population, the agricultural sector plays an important role in the national economy of DRC as one of the main economic activities of the country. Despite the obvious importance of the sector, the Agricultural Statistical Information System (ASIS) is non-operational. The last agriculture census was carried in 1974 and the last agricultural national survey was undertaken in 2005/06. The country therefore lacks the necessary statistical information for planning in the rural sector, the formulation of strategies and policies and the ability to monitor performance. The available data on agricultural sector are not reliable. The estimates in the national accounts rely heavily on poor and outdated information and are based on rough methodological approaches using annual population growth to determine agricultural production growth.

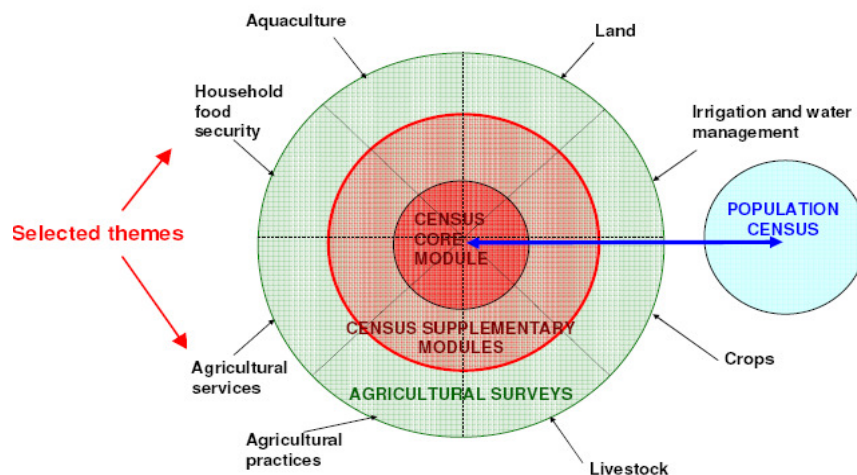
13. The Government therefore considers the next National Census of Agriculture as a priority so as to better understand the structure of the agriculture sector (e.g., number, size, level of equipment, human resources, and land tenure of agricultural holdings). The agricultural census will also provide the basis for new sampling frames to be used in quality agricultural surveys that allow for regular and reliable estimations of agricultural production. Moreover, a performing Agricultural Statistical Information System will help identify and analyse the constraints to the development of the agricultural sector.

14. This sub-component will finance the implementation of a system for the collection, processing and updating of agricultural statistics. Activities that will be supported are twofold: the National Agricultural Census (NAC), to be conducted by INS and the Ministry of Agriculture, and one annual agricultural production survey. The survey will be representative at the national level by province and agro ecological zones to account for differences in seasons, crops, livestock, practices etc.

15. More specifically, this component seeks to: (i) develop a master frame for a sample-based agricultural census; (ii) collect information on the sampled farmers through a basic questionnaire, which will be based on international standards set by the United Nations Food and Agriculture Organization (FAO) but adjusted to the national reality of the DRC; (iii) develop the baseline for defining the sample frame from which national agriculture surveys will be conducted annually (iv) disseminate the agricultural census results; (v) make unit record data publicly available; (v) organize one annual agricultural production survey the year following the agriculture census; and

(vi) lay the groundwork for the implementation of a National Agricultural Information System (NAIS).

16. The reference master frame of the agriculture census will be enumeration areas from the results of the cartography of the population census that will be organized in 2016. Information to be collected during the census will be based on the modular approach recommended by FAO and presented in the diagram below.



17. This modular approach encompasses a core census module based on complete enumeration or a large sample to provide key data, and one or more supplementary census modules to cover selected topics more in-depth. Typical structural data collected through the core module are characteristics of households, size of holdings, land tenure, land use, crop area harvested, irrigation, livestock numbers, labor and other agricultural inputs.

18. The data will be collected from agricultural holdings, meaning all land or plots of land devoted wholly or partly to agricultural and/or livestock production, under the direction of a producer, regardless of size, status or land tenure. The census will cover both crops and animal species. Data will be mainly collected directly from households. However, other information will also be collected from communities such as on geography, roads, electricity, health facilities and schools, presence of agricultural produce market and agricultural input suppliers, economic activities in the community, existence of farmers' organizations, as well as measures of agricultural potential, and constraints.

19. A sub sample from the agriculture census will be used to carry out an agricultural production survey the year following the census. During the survey, many supplementary modules will be covered for an in depth analysis of selected issues including drivers of agricultural productivity. The project will fund the hiring of two seasoned agricultural statistics specialists to support the Ministry of agriculture and the INS for the design, implementation and the analysis of the National Agricultural Census and the annual agricultural production survey. Furthermore, to ensure free access of data to users, the project will support the development in DRC of the Country STAT, a web-based information technology system for food and agriculture statistics at the national and subnational levels supported by the FAO. The database acts as a one stop center which centralizes

and integrates the data coming from various sources and allows to harmonize it according to international standards while ensuring data quality and reliability.

#### **Sub-Component 1.4: National Accounts Statistics (US\$1.8 million)**

20. The quality of national accounts statistics in DRC is insufficient due to the poor quality of data sources, particularly agriculture and business statistics. Timeliness is also of concern as the latest national accounts published by the INS are for 2010 due mainly to lack of human resources and the base year is 2005.

21. In this context, the focus of the project under this sub-component will be twofold: (i) technical assistance and (ii) support to production and analysis of complementary data on businesses to update key macroeconomic aggregates. The project will also promote analysis of macro-data through trainings and technical assistance to the Direction of Macroeconomic Studies (DEME) in production and dissemination of knowledge products to inform economic policy decisions.

22. The technical assistance on national accounts is intended to improve the production and timeliness of national accounts with the new data sources coming from the household's surveys, the agriculture census and the business census financed by the PRINS-project. In particular, the assistance will help to update the supply and use tables<sup>10</sup> and to rebase GDP to take into account the new data sources. Finally training will be provided to INS staff to ensure sustainability of national accounts production.

23. The realization of the business census with the support of the PRINS-Project will pave the way for the production of more comprehensive business statistics to support the compilation of quality national accounts. Therefore, the current project will finance annual enterprise surveys to collect data from sampled enterprises in different sectors of the economy. The surveys will collect financial and non-financial information such as outputs, inputs, employment, production capacity utilization, finished product inventories, etc. to feed the production of national accounts.

24. The implementation of the activities related to national accounts statistics will require the project to fund the services of long and short term consultants to provide technical assistance and to train INS staff in four specific areas: (i) national accounts production, (ii) business sampling, (iii) industrial production indices (volumes and prices) and (iv) the development of input-output tables and satellite accounts and their use for policy analysis.

#### **Sub-component 1.5: Improving IT and Equipment for Data Production and Diffusion (US\$1.25 million)**

25. This sub-component will support the upgrading of the NSS statistical and IT infrastructure and data management systems for the data production activities being supported under this project. This will include: acquisition and maintenance of computer hardware, data management systems, and other equipment needed to collect, analyze, and disseminate data. Consultancy services will also be supported for: (a) development of a web-based data portal for access to NSS data for policy making, commercial, or research purposes; (b) establishment of an electronic archive to allow

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<sup>10</sup> The supply and use framework provides the most important macroeconomic aggregates such as GDP, value added, consumption, investment, imports and exports.

users to access micro-data while protecting the privacy of survey respondents and (c) development of connectivity and data transfer technology between INS headquarters and its decentralized offices.

## Results Chain: Statistics Development Project (P150148)

### Component 1: Data Production, Dissemination and Use

Activities	→	Output	→	Outcomes	}	Objectives
Technical assistance for the review and improvement of data production methodologies	→	Data production manuals are developed for major statistical outputs.	→	Statistics are produced following predefined methodologies	}	Availability and quality of statistical products are improved
Setup of a continuous household survey program	→	Continuous household survey program is designed and implemented	→	Data collection is more comprehensive and less expensive		
Technical assistance for data mining, National accounts production, and poverty measurement and analysis	→	NSS staff are trained for data analysis and the production of core economics and socioeconomic statistics	→	Skills of Staff in INS and other components of the NSS are enhanced		
Support data production (socio-demographic, agricultural, business, informal sector, prices and poverty monitoring)	→	Agricultural, business, informal sector, and consumption and budget data are produced periodically	}	Core economic social and sectoral statistics are accurately measured.		
Support the completion of the census cartography	→	Master Sample frames are developed for surveys; census maps are publicly available as are the shape files and the inventories of public infrastructure.	}			
Technical Assistance for Improving and maintaining the INS website and connectivity.	→	INS website is revamped	}	Data produced by the NSS and the metadata are made available on the INS' website	}	Improvement in access to and use of data
Technical Assistance for Creation of an Open data Portal for Dissemination of Statistical Products	→	The open data portal is developed on the INS' website	}			
Support data archiving and implementation of "Accelerated Data Program" (ADP) initiative.	→	NADA is established.	}			
Technical Assistance/Support activities to Promote use of data	→	Outreach activities on the importance of statistics are yearly carried out yearly	→	Knowledge on importance and role of statistics is increased	}	Awareness and demand for statistics increased
	→	Trainings and knowledge products are developed in collaboration with local institutions, researchers, the OCPI and the DEME using existing data from the NSS	→	Number of knowledge products on economic development issues produced with NSS data and disseminated to large audiences has increased.		
Support production and dissemination of statistical yearbooks and bulletins.	→	Statistical yearbooks and quarterly statistical bulletins are produced	→	Socio-economic indicators of the country are regularly known		

## **Component 2: Human Resources Development and Management (US\$9.9 million)**

26. As detailed before, the NSS lacks qualified staff to support production and publication of products that meet international statistical standards. In particular only 17 percent of the INS staff are qualified of which 34 percent are near retirement age. This component aims at identifying and providing adapted support to create an enabling environment for the DRC's National Statistical System to produce and disseminate reliable statistics. The INS, as most public service agencies in DRC, suffers of major human resources challenges. This component aims at identifying and providing adapted support to create an enabling environment for the DRC's National Statistical System to produce and disseminate reliable statistics. This component will support the INS in attracting and retaining qualified statisticians through an effective system for Human Resources development and management. The activities to be financed under this component include: (i) Technical assistance to develop a set of guidelines for staffing and HR policies, (ii) Support for the development of the National Statistics Schools, (iii) Development of a scholarship program to support the training of Congolese students in West African regional statistical schools and finally (iv) Development of a Young professional program to rejuvenate the NSS staff conditional on the successful implementation of specific institutional reforms.

### **Sub-component 2.1. Staffing and policies (US\$0.5 million)**

27. This activity will build on the organizational/functional review of the INS undertaken by the Rejuvenation project (P122229), expected to be completed by August 2015, and will establish a strategic staffing plan to enable INS to attract and retain qualified statisticians and provide the necessary support to statistics departments in line ministries. There will be a twofold approach, (a) a complete review and redrafting of existing Human Resources policies in order to align those to the specific legal framework of the INS (b) a strategic staffing plan that will be established for 2 or 3 years and be supported by a set of adapted guidelines elaborated to support recruitment, career management, job mobility in a decentralized environment. The staffing strategy will particularly focus on building an inter-generational transfer of know-how by supporting existing experienced staff in planning their end of career while identifying roles and responsibilities in training Young Professionals. While these activities will follow the processes defined and supported through the Rejuvenation project for retirement of civil servants in the NSS who passed the retirement age, it will seek ways to accelerate and ease the transition. Specific activities to be financed are:

- Technical assistance for the organizational/functional review of the INS to establish skills needs;
- Technical Assistance in drafting an operational policy manual for the development and management of Human Resources, aligned with the INS' legal framework and staffing strategy;
- Technical Assistance in developing a 3 year staffing plan adapted to the specific needs of the INS and focusing on attracting and developing a pool of qualified statisticians;
- Technical Assistance in developing an accelerated "end of career framework", and inter-generational transition plan;
- Technical assistance in developing internal procedures and collective labor agreements, as well as a new salary scale for INS staff;

- Workshop activities to support the strengthening of capacity to plan, coordinate and negotiate with unions and staff representation for the implementation of new staff policies and protocols. This includes, facilitation, training, and pedagogical support (i.e. publications, books, etc.).

Staff who are eligible for retirement will be supported by the rejuvenation project. For those who are not eligible for retirement but do not have the required skills to work at the INS and those who will retire in the following years, alternative solutions will be explored and developed – e.g., involving reassignments. This will (i) allow the INS to control the stock and flow of its personnel and (ii) provide fiscal space for the INS to apply an adequate salary scale for its staff. Ultimately the implementation of these activities will change the profile of the staff, by removing old and unproductive staff from the roster and replacing them by younger, better trained staff with better salaries.

### **Sub-component 2.2: Support for the development of the National Statistics Schools (US\$3.0 million)**

28. The DRC has three institutes of higher education in statistics located in Kinshasa, in Goma and in Lubumbashi. These schools train statisticians to the level of Master degree in statistics. They also offer training in other sectors such as trade, IT management and finance. The lack of opportunity in the administration following the cessation of recruitment in the public service (including the INS), has led to a growing lack of interest of students to enroll in the statistical branch. As part of the reform of its statistical system, the government intends to harmonize the training curricula of the statistics schools that will offer formal degrees (equivalent to bachelor and masters) in statistics, demography, applied economics and related information technology. In addition to reviewing the training capacity of the local statistics schools in general and particularly the one of Kinshasa, the project will look into partnerships with countries in Africa that have already invested in building statistical capacity. These partnerships based on south-south knowledge exchange will also leverage basic technical curricula, particularly in French-speaking countries. Among the activities to be supported are:

- Review of the statistical training curricula and drafting of syllabi and training materials for teaching applied statistics and demography. Institutional assessment of the local statistics schools in terms of how the skills of its graduates respond to current and expected needs and where innovative learning techniques and methodology can be introduced. The assessment will present a diagnostic report along with an action plan that will be supported by the project.
- Hiring and remuneration of professors (local and international) to deliver specific courses and train local trainers;
- Support acquisition of material as needed to support students in statistical training programs, to deliver courses and resources for a computing center and Internet.



### **Sub-component 2.3: Scholarship program for the training of Congolese in the regional and national statistical and demographic schools (US\$1.1 million)**

29. **The project will support formal pre-service training that will prepare Congolese for competitive examinations for admission to regional statistical schools.** A transparent competition will be organized by an independent institution. This activity will target candidates to be awarded scholarships, including stipends, to enroll in formal pre-service training programs in select institutions. The project will support all activities related to the preparation of the training and the organization of the exams. There are four regional statistical schools: *Ecole Nationale Supérieure de la Statistique et d'Économie Appliquée* (ENSAE) of Abidjan, *Institut Sous-régionale de la Statistique et d'Économie Appliquée* (ISSEA) of Yaoundé, *Ecole Nationale de la Statistique et de l'Analyse Economique* (ENSAE) of Dakar and the new *African School of Economics (ASE) of Cotonou*. Competitive exams are organized every year by the *Centre d'Appui aux Ecoles de Statistique Africaines (CAPESA- ENSAE Paris)* to select candidates for five training programs in statistics.<sup>11</sup> The regional schools define criteria and candidates who satisfied the criteria are accepted to take the competitive exams. Some of the successful candidates (usually the top three or the first) are offered scholarships (including stipends) by Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC), the European Union, or French Cooperation to the program for which they are admitted. The project will offer scholarships (including stipends) to successful DRC candidates to the regional competitive exams who do not receive financial aid from the international institutions. The value of the financial aid will be aligned with that offered by international institutions.

30. **The project will support the scholarships** as long as the selected candidates maintain successful academic results to the end of the program in which they are enrolled. The amount of financial support might vary depending on the country in which the institution they are enrolled is located, and the amount might change from year to year to account for inflation. In addition to the scholarships, the project will provide any selected candidate with a computer and an annual lump sum amount for books required for the program in which they are enrolled. Candidates selected will sign binding contracts committing them to work for the NSS for five years after graduation. Any student who opts out of NSS employment before the five years are up will be required to reimburse the NSS for the total amounts received. The employment contract will specify that candidates who leave early will gradually reimburse the NSS for all financial aid received.

### **Sub-component 2.4: Unallocated fund for Young Professionals Program (US\$2 million)**

31. Conditional on a successful implementation of the activities outlined in sub-component 2.1 and the receipt of a proof by IDA that a director general of the National Institute of Statistics, the Project Implementing Entity, has been confirmed in form and substance satisfactory to the Association, the project will support the hiring and remuneration of “Young Professionals” on qualified assignments in the NSS through a Government owned “Young Professionals Program” outlined by the Rejuvenation project. The project will fund a pool of 50<sup>12</sup> Young Professionals (YP) selected based on job profiles for which staffing is needed through a transparent competitive

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<sup>11</sup> *Agents techniques de la Statistique (AD), Adjoints Techniques de la statistique (AT), Techniciens Supérieurs de la Statistique (TSS), Ingénieurs de Travaux Statistiques (ITS) and Ingénieurs Statisticiens Economiste (ISE).*

<sup>12</sup> The NSDS stated that at least 350 qualified statisticians are needed to meet the immediate needs of the NSS.

process. The project will rely on the mechanism designed by the Rejuvenation project for the purpose of remuneration of the YPs. The selection criteria of candidates and the competition will be defined in close collaboration with the INS and an independent institution whose selection is satisfactory to the World Bank.

### **Sub-component 2.5: Project Management (US\$3.30 million)**

75. This sub-component will support activities (i) to foster the coordination of statistical operations and (ii) to strengthen the capacity of the Project Coordination Unit (PCU), to be located in the National Institute of Statistics, to implement the project effectively. Through this sub-component the project will finance technical advisory services, non-consulting services, training, goods, and operating costs. In particular, the PCU will ensure day to day coordination, implementation and management (including, fiduciary aspects, monitoring and evaluation, carrying out of audits and reporting) of Project activities. In particular, the PCU will (a) prepare annual work plans and budgets; (b) carry out all disbursements and any financial management and procurement-related activities in accordance with World Bank–approved procedures; (c) prepare and consolidate periodic progress reports; (d) monitor and evaluate project activities; (e) coordinate with other stakeholders on issues related to the project; and (f) provide administrative support to beneficiary institutions, in accordance with the Project Implementation Manual. It will consist of a PCU coordinator, a Monitoring and Evaluation (M&E) Specialist, a Procurement Specialist, and a Financial Management Specialist. The core PCU team will be supported by a set of consultants: an Information Technology (IT) Specialist, and Human Resources (HR) specialist, technical staff (including, survey specialist, national accounts specialist) and sectoral focal point. It will ensure that progress is reported quarterly to the Project Steering Committee, the High Commission of Statistics, the World Bank, and other authorities. Finally, in order to ensure that statistical operations are well coordinated within the NSS, the project will support (i) the production and the use of operational manuals for the production of core statistics and (ii) the update and dissemination of the organizational charts of the NSS to ease the methodological oversight role of the INS in the production of core statistics. This sub-component will also support the purchase of office supplies, furniture and material as needed to implement day to day activities of the project.

**Results Chain: Statistics Development Project (P150148)**  
**Component 2: Human Resources Development and Management**

Activities	Output	Outcomes	Objectives
<b>Human Resources</b>			
Supporting the development of staffing and HR policies	→ Policies and guidelines are elaborated to cover recruitment, career management, salaries, rewards and job mobility	→ Output-based work programs and performance-based career management are used for INS staff	→ Attract, motivate and retain qualified staff for the INS
Supporting the Congolese National Schools of Statistics in developing relevant technical curricula	→ National Statistics curricula are up to date to establish a formal degree for statisticians	Local institutions offer formal degrees in statistics, applied economics, demography, and related information technology Quality of Statistical products is improved	→ National Schools present technical statistics curricula aligned with International Standards
Supporting the development of professional statisticians through a National and Regional formal Technical Certification program	Convention is signed with regional and international schools of statistics to train and certify professional statisticians	→ Increased number of Congolese statisticians to learn from and transfer to international standards	→ The proportion of qualified staff (from local and international schools) of the NSS increased to 40% or more
	Congolese Statisticians are certified by local schools with formal degrees recognized by Congolese National Education System	→ Increased number of Congolese trained in Local and International institutions with formal degrees in statistics, applied economics, demography, and related information technology	
	Cohorts of Congolese Statisticians certified by regional/international schools of statistics		
Supporting knowledge and learning activities for career development for NSS staff	A YP Program is created for the NSS	→ Improved knowledge transfer for NSS staff	→ Knowledge is transferred to both new and existing staff across the decentralized departments
	On-the-job and thematic training program is designed for NSS staff		
	Technical mentorship program is created for new NSS staff		

## ANNEX 3: IMPLEMENTATION ARRANGEMENTS

### Democratic Republic of Congo Statistics Development Project (P150148)

#### Project Institutional and Implementation Arrangements

1. **The Project Steering Committee:** The Project Steering Committee (PSC) will be headed by a representative of the Ministry in charge of statistics and consist of representatives of the INS and key ministries, development partners, and data users; it will oversee, promote, coordinate, support, monitor, and evaluate progress. The PSC and the National Council of Statistics will identify the goals and the NSS mission and promote awareness of these throughout the INS, emphasizing shared values that should be reflected in achieving the goals.
2. **Project policies and procedures** will be published in an implementation manual, which will be adopted by the National Council of Statistics. It will include or be complemented by protocols based on the (DQAF) to guide activities. The PCU and the Bank will work to ensure consistency with the protocols and the manual.
3. **The PSC will meet semi-annually to assess performance, intermediate results, and outcomes.** The first meeting will be no later than six months after the project effectiveness. An independent assessment before the meeting will ensure that data production is performed according to predefined protocols. The review meeting, chaired by the representative of the ministry in charge of statistics, will involve members of the NSS and statistical information and services users. The meeting gives the PCU and beneficiaries a platform for reporting progress to authorities, clients, and partners. The committee will (a) facilitate coordination of the project; (b) review and recommend for World Bank approval proposed annual work plans and budgets; and (c) review progress toward achievement of project objectives and make recommendations for removal of any obstacles.

#### Results Monitoring and Evaluation

4. **The project M&E system focuses on accountability for results and flexible M&E to encourage better performance and greater “ownership.”** It moves beyond the usual tracking of inputs and outputs to emphasize intermediate outcomes and processes. The project results framework covers monitoring indicators are set out in Annex 1
5. **Functional M&E:** Every four months, a workshop will bring together the INS, the Ministry of Plan, and all project stakeholders and beneficiaries to assess progress. The first will be conducted no later than 10 months after the project effectiveness. The workshops will offer regular opportunities for learning from collective experience, self-assessment, and exchange of success stories and for discussion of errors and reasons for any delays. This dynamic approach is a complement to the project’s static results framework. At these periodic workshops, the discussions should go beyond quantitative measurement of progress to focus on qualitative improvements that will help move the project forward.

## **Financial Management, Disbursements and Procurement**

### **Country PFM situation and Use of Country System**

6. The Country Financial Accountability Assessment (CFAA), the Public Expenditures Review (PER), and the Public Expenditure and Financial Accountability (PEFA) 2008 and 2012 have shown an unsatisfactory economic and financial control environment including weak budgeting preparation and control, financial reporting, external audit and human resources. In-depth structural reforms are consequently required in the areas of economic governance, public expenditure management, financial sector and public enterprises to strengthen capacity in the public administration. To this end, with the support of the donor community, the Government of DRC has undertaken a series of Project Financial Management (PFM) reforms in budget preparation and execution, adherence to Treasury forecasts, preparation of regular budget execution reports, and simplification of the national budget classification system. The first critical step of these series of PFM reforms is the adoption in July 2011 of a new PFM organic Law preceded by the adoption of a new Procurement code in December 2008. Additional decrees are being finalized to further clarify the organic Law. Yet, there is reason for cautious optimism; since it will take time for these reforms to yield substantial improvements in the management of public funds. As a result, the overall country fiduciary risk is still considered high. The repeated PEFA, concluded at the end of 2012, took stock of the areas of progress and revised the existing PFM strategy plan accordingly. The new project “Strengthening PFM and Accountability” (P145747), effective since May 2014, will strengthen the Public Financial Management system both at the central and some provinces levels. The outcomes of the use of the country national PFM systems Use Country Systems (UCS) assessment report which had been undertaken in April 2013 will be gradually implemented for the Bank-financed projects. Concerning internal and external audits, discussions will be engaged with the Government to organize the working environment of the Inspection Générale des Finances (IGF) and the Cour des comptes.

7. The proposed project will be entrusted to the INS as main implementing agency. Given INS limited project implementation experience, some activities will be out sourced to other stakeholders.

### **Risk Assessment and Mitigation Measures**

8. The Bank’s principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. Assessment of the risks that the project funds will not be so used is an important part of the financial management assessment work. The risk features are determined over two elements: (i) the risk associated to the project as a whole (inherent risk), and (ii) the risk linked to a weak control environment of the project implementation (control risk).

<b>Risk</b>	<b>Risk rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after mitigation measures</b>	<b>Conditions for effectiveness (Y/N)</b>	<b>Remarks</b>
<b>INHERENT RISK</b>	<b>S</b>		<b>S</b>		
<b>Country level</b> Poor governance and slow pace of implementation of PFM reforms that might hamper the overall PFM environment.	<b>H</b>	Some PFM reform programs are currently ongoing through IDA-financed projects Enhancing Governance Capacity (P104041), and Establishing Capacity for Core Public Management (P117382), in addition to the project “Strengthening PFM and Accountability” (P145747) approved on January 2014 by the World Bank’s Board. These reforms will address the key new challenges the country is facing.	<b>H</b>	N	
<b>Entity level</b> Weak capacity of the INS as evidenced by IGF recent report and Bank supervision report of the Bank financed project	<b>S</b>	Reinforce the existing fiduciary arrangements under the Bank financed project PRINS.  Provide Technical Assistance to INS by rolling out the fiduciary training plan which aims at strengthening the capacity of INS fiduciary staff, update PRINS’s existing manual of procedures to capture the specificities of the new project, and extend the work-program of the PRINS’s internal audit Unit to the new project.	<b>S</b>	N	
<b>Project level</b> Risk of additional workload.	<b>S</b>	Recruit one more Accountant on competitive basis.	<b>S</b>	N	
<b>CONTROL RISK</b>	<b>S</b>		<b>S</b>		
<b>Budgeting</b> Weak budgetary execution and control inducing budgetary overspending or the inefficient use of funds.	<b>S</b>	Annual work plan and budget will be prepared each year. The project FM Manual of Procedures will define the arrangements for budgeting, budgetary control and the requirements for budgeting revisions. Annual detailed disbursement forecasts and budget required. IFR will provide information on budgetary control and analysis of variances between actual and budget.	<b>S</b>		
<b>Accounting</b> Risk of increasing of the FM team workload leading to some delays in the submission of the required reporting.	<b>M</b>	PRINS’s FM staffing arrangement is adequate but may be strengthened with one additional Accountant recruited on competitive basis. PRIS’s accounting software will be customized to take into account the new project’s specificities.	<b>M</b>	N	
<b>Internal Controls and Internal Audit</b> Weak compliance with FM manual of procedures and risk	<b>S</b>	(i) Regular internal audit missions will be conducted during the project implementation with a focus on fraud and corruption risk; (ii) update the work-program of the current Internal	<b>S</b>	N	

<b>Risk</b>	<b>Risk rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after mitigation measures</b>	<b>Conditions for effectiveness (Y/N)</b>	<b>Remarks</b>
of circumventing internal control systems		Audit Unit to reflect the new project specificities.; and (iii) establish a channel of collaboration between IGF and the project's internal audit unit to agree on project's risk mapping and work program.			
<b>Funds Flow</b> (i) Risk of misuse of funds allocated to the census, (ii) Weak capacity in IDA disbursement procedures which could affect the disbursement rate for the components under INS responsibility	<b>S</b>	- Organize frequent controls in each involved actor in order to help to prevent and mitigate the risk of diversion of funds. - Payment requests will be approved by the Coordinator and the financial management specialist prior to disbursement of funds. - Require of the FM team to ensure monthly submission of the withdrawal application. - Perform external audit.	<b>S</b>	N	
<b>Financial Reporting</b> Delay in the submission of Interim Un-audited Financial Reports (IFRs) to IDA due to weak capacity of the FM team.	<b>M</b>	(i) PRINS's computerized accounting system and its staffing arrangements are acceptable. (ii) The current content and format of the PRINS's IFR are acceptable to IDA. The IFR of the new project will use the same format and content.	<b>M</b>	N	
<b>External Auditing</b> External audit arrangements are not defined and lack of capacity of public institutions of control to assure the external audit of the project	<b>M</b>	Recruit an independent auditor based on TORs acceptable to IDA. DRC's Supreme Audit Institution (Cour des Comptes) should be involved in the selection process.	<b>M</b>  Four months after effectiveness	N	
<b>Fraud &amp; Corruption</b> Risk of misuse of funds and use funds to pay non eligible purposes Risk of misused and inefficient use of funds. Weak capacity in the disbursement procedures of the World Bank which could affect the disbursement rate.	<b>H</b>	Organize frequent controls of each actor in order to help prevent and mitigate the risk of diversion of funds. Payment requests will be approved by the Coordinator and the Financial Manager prior to disbursement of funds. Require the future FM to ensure monthly submission of the withdrawal application.	<b>S</b>	N	
<b>Overall FM risk</b>	<b>S</b>		<b>S</b>		

The overall risk rating at preparation is **Substantial**.

**KEY WEAKNESSES AND ACTION PLAN TO REINFORCE THE CONTROL ENVIRONMENT**

<b>Issue</b>	<b>Remedial action recommended</b>	<b>Responsible entity</b>	<b>Completion</b>	<b>Effectiveness conditions</b>
Staffing	Recruit one additional Accountant dedicated to the new project.	INS/ DRC Government	Within three months after effectiveness	N
Information system accounting software	Upgrade PRINS's accounting software to reflect the new project specificities	INS/ DRC Government	Within three months after effectiveness	N
Administrative, Accounting and Financial Manual of procedures	Update PRINS's manual of procedures (i) to include the specificities of the new project; (ii) ensure adequate ownership by the new players; and (iii) strengthen the anti-corruption aspects.	INS/ DRC Government	Within three months after effectiveness	N
Internal auditing	Update the work-program of the current Internal Audit Unit to reflect the new project specificities.	INS/ DRC Government	Within three months after effectiveness	N
External financial auditing	Recruitment of the external auditor acceptable to IDA	INS/ DRC Government	Three months after effectiveness	N

**9. Governance and anti-corruption considerations.** The country political situation has weakened the governance and corruption environment. In the context of the project, the following governance and anti-corruption measures will contribute to enhance transparency and accountability during the project implementation : (i) an effective implementation of the fiduciary mitigation measures should contribute to strengthen the control environment, (ii) the appropriate representation and oversight of the Steering Committee involving key actors, as well as the transparency in both operation implementation and dissemination to stakeholders and the public during project implementation, (iii) the Terms of Reference (TOR) of both internal audit unit and external auditor will comprise a specific chapter on corruption auditing, (iv) the FM manual of procedures will include anti-corruption measures with a specific safety mechanism that will enable individual persons and Non-Governmental Organization (NGOs) to denounce abuses or irregularities, (v) measures to improve transparency such as providing information on the project status to the public and to encourage participation of civil society and other stakeholders will be strengthened during project implementation and (vi) finally, an Anti-corruption action plan will be prepared in addition to the robust Financial Management (FM) arrangements designed to mitigate the fiduciary risks.

**10. Staffing and Training.** The financial management staffing arrangement designed under PRINS Project will be used to implement the project. Since the new project generates additional workload, this FM team should be reinforced through the recruitment of one additional Accountant. On the internal audit side, the arrangement designed under PRINS is acceptable and will be applied to the new project. The work-program of the Internal Audit Unit will be revised within three months after the project effectiveness to take into consideration the new project



specificities. The team will have the overall FM responsibility of budgeting, accounting, reporting, disbursement, internal control and auditing.

**11. Budgeting.** The budgeting arrangements designed for PRINS project will be applied for this project. PRINS's manual of procedures already includes detailed budgeting procedures, the preparation of annual work plan, and the adoption by the Steering Committee to the budget execution. It will be revised to incorporate the new project specifics.

**12. Accounting Policies and Procedures.** The accounting systems, policies, and administrative and financial procedures designed for PRINS project will be applied for this project. This manual of procedures will be revised to include the new project's specifics. PRINS's accounting software will be used after its configuration for reflecting the new project specificities.

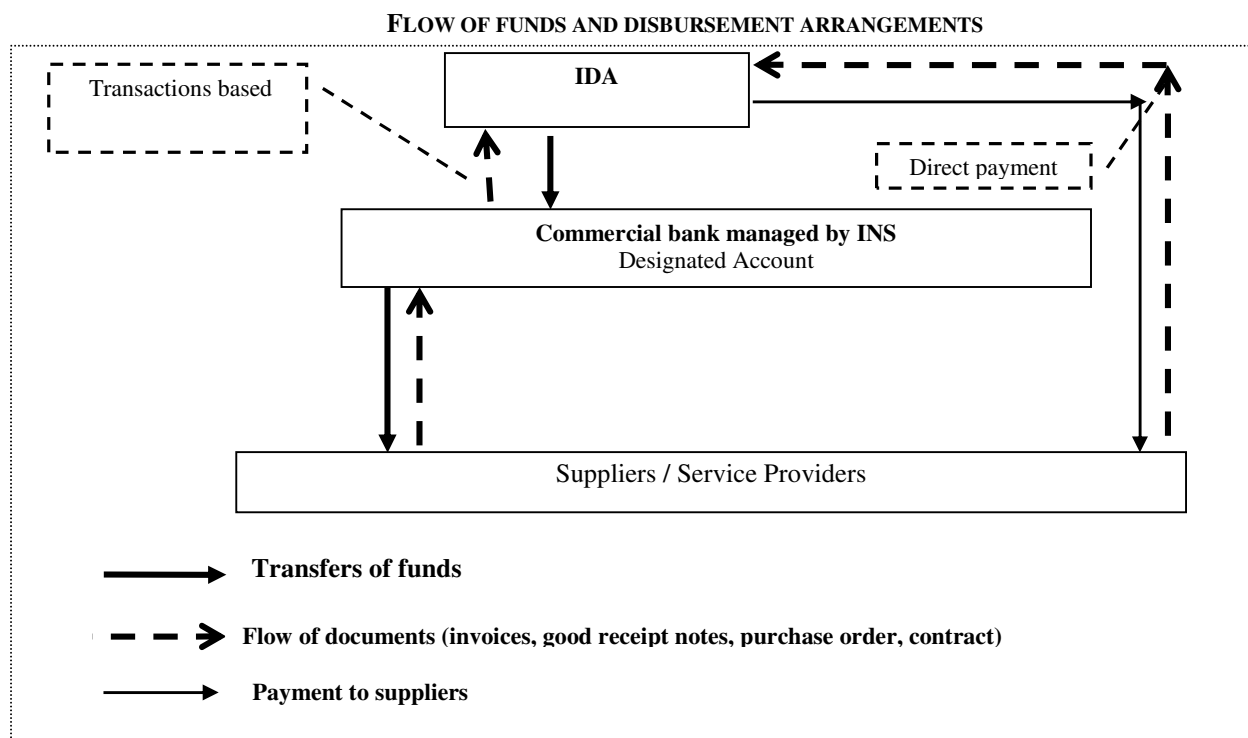
**13. Internal Control and Internal Auditing.** The internal control arrangements designed under PRINS project will be applied. The work-program of the PRINS's internal audit unit will be revised to take into account the new project specificities. The internal auditor will report directly to the Coordinator and Steering Committee. He will undertake periodic assessments on the strengths and weaknesses of the internal control system at all levels. All control deficiencies or circumvented practices identified will be communicated in a timely manner to the overall senior management of the project for immediate corrective action as appropriate. One of each such report will also be communicated to the Bank. He will prepare relevant manuals and guidelines. In line with the DRC Use of Country System (UCS) Report to fully rely on Inspection Générale des Finances (IGF) for project's internal audit, the current project's internal control system could be strengthened by establishing a channel of collaboration between IGF and the current project's internal audit unit to agree on project's risk mapping and work program.

### *Financial Management*

#### *Disbursements*

**14. Funds Flow and Disbursement Arrangements.** One Designated Account (DA) will be opened in a reputable commercial bank. This account will be held in US\$. The Designated Accounts will receive cash advances to pay project expenses eligible for IDA financing. Any interest earned on funds deposited in the Designated Account shall be deposited into the project account. Payments will be made in accordance with the provisions of the manual of procedures (i.e. joint signatures by the INS Director General and FM Manager).

**15. Disbursement arrangements.** The transaction – based disbursement method will be applied for the Designated Account (DA) which will receive an initial advance of US\$2.4 million. The DA will be used for all payments less than twenty percent of the ceiling (US\$480,000) and replenishment will be submitted as often as possible. Funds flows for the DA are as follows:



**16. Disbursement of Funds to other Service Providers and Suppliers:** INS will make disbursements to service providers and suppliers of goods and services in accordance with the payment modalities, as specified in the respective contracts/conventions as well as the procedures described in the project’s Manual of Administrative, Accounting, and Financial. In addition to these supporting documents, the Project will consider the findings of the internal audit unit while approving the payments. INS, with the support of its internal audit unit, will reserve the right to verify the expenditures ex-post, and refunds might be requested for non-respect of contractual clauses. Misappropriated activities could result in the suspension of financing for a given entity.

**17. Disbursements by category:** The table below sets out the expenditure categories to be financed by the Grant. This table takes into account the prevailing Country Financing Parameter for DRC in setting out the financing levels except for local expenditures which will be financed at 100 percent excluding local taxes. In accordance with Bank standard procurement requirements, contracts will continue to be approved “all taxes included” for local expenditures. The project will however, claim invoiced amounts excluding taxes. The Government will take appropriate steps to cover the tax portion of contracts signed by the project with contractors and suppliers of goods and services.

### DISBURSEMENT CATEGORIES

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed by the Grant (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services, Operating Costs, Training and Workshops for Components 1.2, 1.3, 1.4, 1.5 2.1, 2.2, 2.3(a), 2.3(b(ii) and 2.5 of the Project	21,900,000	100%
(2) Goods, non-consulting services, consultants' services, Operating Costs, Training and Workshops for Components 1.1 of the Project	14,000,000	100%
(3) Scholarship under Component 2.3(b)(i) of the Project	1,100,000	100% amounts disbursed, payable under the respective Scholarships
(4) Young Professionals Program under Component 2.4 of the Project	2,000,000	100%
(5) Refund of Preparation Advance	6,000,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>45,000,000</b>	

**18. Financial Reporting and Monitoring:** The manual of procedures will indicate provisions for quarterly and yearly financial reporting, including physical progress. The quarterly reports will include a table on budget execution. The format of this report will include (i) the statements of sources and used funds, and utilization of funds per category, (ii) an updated procurement plan, (iii) the physical progress and, (iv) the summary of missions of internal audit, as well as implementation status of the recommendations of internal or external audit and supervision missions.

**19. External Auditing:** The project financial statements and internal control system managed by INS will be subject to annual audits by an independent external auditor which will be renewed every 3 years. The audit will include the activities under implementation by the private firm. The

Bank will pursue the policy dialogue with INS with the view of having the project external auditors as INS contractual auditor. This will strengthen the existing weak external auditing arrangements in place at INS. The external auditor will give an opinion on the annual financial statements in accordance with auditing standards of IFAC<sup>13</sup>. In addition to audit reports, external auditor will also produce a management letter on internal control to improve accounting controls and compliance with financial covenants under the financing agreement. The project will be required to submit, not later than June 30 of each fiscal year, the annual audited financial statements. In line with the new access to information policy, the project will comply with the disclosure policy of the Bank of audit reports (for instance making available to the public without delay after receipt of all reports final financial audit, including audit reports qualified) and place the information on its official website within one month after acceptance of final report by IDA. The project will be required to produce a final audit report no later than six months after closing of project. In compliance with the DRC UCS Report, the DRC's Supreme Audit Institution (Cour des Comptes) could start being involved in the process of the external auditors' selection and their reports reviewing. In line with the new access to information policy, the project will comply with the disclosure policy of the Bank of audit reports (for instance making available to the public without delay after receipt of all reports final financial audit, including audit reports qualified) and place the information on its official website within one month after acceptance of final report by IDA.

**20. Implementation support plan:** FM implementation support missions will be consistent with a risk-based approach, and will involve a collaborative approach with the project team. A first implementation support mission will be performed six months after project effectiveness. Afterwards, the missions will be scheduled by using the risk based approach model and will include the following: (i) monitoring of the financial management arrangements during the supervision process at intervals determined by the risk rating assigned to the overall FM Assessment at entry and subsequently during Implementation Status Report (ISR); (ii) integrated fiduciary review on key contracts, (iii) review the IFRs; (iv) review the audit reports and management letters from the external auditors and follow-up on material accountability issues by engaging with the task team leader, Client, and/or Auditors; the quality of the audit (internal and external) also is to be monitored closely to ensure that it covers all relevant aspects and provide enough confidence on the appropriate use of funds by recipients; and, (v) physical supervision on the ground; and (vi) assistance to build or maintain appropriate financial management capacity.

**21. Conclusions of the FM assessment:** The overall residual FM risk at preparation is considered **Substantial**. The proposed financial management arrangements for this project are considered adequate to meet the Bank's minimum fiduciary requirements under OP/BP10.00.

### *Procurement*

#### **A. General: Procurement rules to be applied**

**22. Applicable guidelines:** Procurement for the project will be carried out in accordance with the World Bank's "Guidelines: Procurement under International Bank of Reconstruction and Development (IBRD) Loans and IDA Credits" dated January 2011, revised July 2014; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January

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<sup>13</sup> IFAC: International Federation of Accountants

2011, revised July 2014; and the provisions stipulated in the Legal Agreement. The various procurement actions under different expenditure categories are described in general below. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements and time frame are agreed between the Borrower and the Bank in the Procurement Plan. The procurement plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006 and updated January 2011, shall apply to the project.

## **B. Reference to the National Procurement Regulatory Framework**

### ***Reference to the National Procurement Regulatory Framework***

23. For all contracts awarded through National Competitive Bidding (NCB) method, the Bank may authorize the use of the national institutions and regulations that comprise the law including its texts of application, the institutions set up for the control and regulation and the institutions responsible for procurement activities implementation. The national competitive bidding procedures currently in force in the DRC deviate slightly from the World Bank Procurement Guidelines NCB procedures for procurement of Goods and services (other than consultants services); thus, they have been already reviewed and appropriate modifications have been proposed to assure economy, efficiency, transparency, and broad consistency with the provisions included in Section I and paragraphs 3.3 and 3.4 of the Bank Procurement Guidelines (refer to the paragraph below).

### ***Requirements for National Competitive Bidding***

24. The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient’s Procurement Code of April 27, 2010, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines:

- (a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the World Bank before their use during the implementation of Project;
- (b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a) (i) and 1.10(a) (ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process ;
- (c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient’s Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later;

- (d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents;
- (e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents;
- (f) **Preferences:** No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;
- (g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site;
- (h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines;
- (i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance;
- (j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract;
- (k) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by fifteen (15) percent or more must be done through an amendment to the signed contract instead of signing a new contract.

### C. Items to be procured and the methods to be used

25. **Advertisement:** General Procurement Notice (GPN), Specific Procurement Notices (SPN), Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011; revised July 2014; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011, revised July 2014. For this purpose, INS will prepare and submit to the Bank a GPN. Specific Procurement Notice (SPN) for all goods, non-consulting services and works to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$200,000.00 and above will be published in "Dg

Market”, on the Bank’s external website, and in the national press, in addition to other media with wide circulation. All other specific procurement notices and other requests for expression of interest shall be published at a minimum in the national press with wide circulation.

**26. Procurement of goods and non-consultancy services:** goods procured under this project will include mainly: vehicles, computer equipment; office furniture; data collection tools; and software. Non-consultancy services procured under this project will include workshops, training in the region and abroad. Depending on the size of the contracts, procurement will be done either under ICB using Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the Bank. Small value goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines. Other methods are Community Participation procedures which have been found acceptable to the Association; Procurement from United Nations Agencies; procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.

**27. Selection and employment of Consultants:** consultancy services would include advisory services, feasibility studies, technical studies, environmental and social impact studies. The selection method will be Quality and Cost Based Selection (QCBS) method whenever possible. Contracts for specialized assignments estimated to cost less than US\$200,000 equivalent may be contracted through Consultant Qualification (CQ). The following additional methods may be used where appropriate: Quality Based Selection (QBS); Selection under a Fixed Budget (FB); and Least-Cost Selection (LCS).

28. Short lists of consultants for services estimated to cost less than the equivalent of US\$100,000 per contract for ordinary services and US\$200,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they will not be excluded from consideration.

29. Single Source Selection (SSS) may be employed where necessary if agreed in the procurement plan in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines. All services of Individual Consultants (IC) will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Guidelines.

**30. Operating Costs:** Operating costs shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travels costs, training costs, workshops and seminar and associated costs, among others. Operating costs will not include salaries of civil servants.

**31. Training and Workshops.** Training and workshops will be based on capacity needs assessment. Detailed training plans and workshops activities will be developed during project implementation, and included in the project annual plan and budget for Bank’s review and approval.

## **D. Implementation arrangements for procurement and capacity assessment**

### **1) Implementation arrangements**

32. **Guiding principles of the implementation of the procurement:** Procurement will be carried out by the Procurement Unit at INS.

33. **Procurement of activities** is the full responsibility of INS with technical assistance from consultant financed by the project. For continuity and sustainability reasons the procurement unit to be set up within the INS will comprise INS officers who will be trained as procurement officers. They will receive training financed by the project and will be trained; coached; and mentored by the procurement consultant to be financed under the project. While awaiting the creation of the procurement unit within the INS the implementation of the procurement activities will be managed by the Ministry of Planning's procurement unit (*Cellule de Gestion des Projets et Marchés Publics, CGPMP*) but all technical matters and the procurement decisions will be endorsed and approved by INS responsible entity. Once the procurement unit of INS is set up and operating appropriately it will handle the procurement activities under this project and will receive support from the Ministry of Planning's procurement unit if necessary. While handling the procurement activities under this project the CGPMP will receive support from the procurement consultant financed by the project.

34. In addition to his/her daily responsibilities, the procurement specialist to be financed by the project will provide the following services: (i) develop and strengthen the capacity on procurement for all staff of INS and CGPMP involved in the project implementation ; (ii) coach and mentor the procurement specialists of INS and CGPMP through their contract committee; (iii) reinforce the integrity and internal review of the procurement process within INS and CGPMP; (iv) oversee and advise on procurement related matters; (v) and ensure the quality of procurement activities. The TOR for the procurement specialist will have specific performance criteria to measure procurement quality and performance and how knowledge is transferred to INS and CGPMP procurement staff.

### **2) Assessment of the agency's capacity to implement procurement**

35. Procurement capacities of the Ministry of planning's CGPMP were evaluated in November 2014; although its Permanent Secretary has experience on Bank procurement rules and procedures and attended procurement training courses other relevant staff has a limited experience on Bank procurement rules and procedures. To strengthen their capacity the procurement consultant to be financed under the project will train and coach the CGPMP when handling the procurement activities under this project. The INS procurement unit to be set up will be trained and coached too.



## E. Assessment of the risks and the related mitigation measures

### Risks that have been identified

36. The key issues and risks concerning procurement for implementation of the project have been identified and include: (i) INS has not yet set up its procurement unit; (ii) neither INS staff nor the majority of procurement staff of Ministry of Planning have the required experience in implementing Bank-funded projects; (iii) the record keeping is not yet adequate; (iv) Government officials likely to be involved in project procurement through tender and evaluation committees may not be familiar with procurement procedures according to World Bank guidelines and rules; and (v) Control and regulation mechanism according to the provisions of the Country procurement law and its application procedures could delay the procurement process if mandatory reviews are required.

37. **The overall unmitigated risk for procurement is high.** Proposed corrective measures which have been agreed to mitigate the risk are summarized in the following table.

#### ACTION PLAN FOR STRENGTHENING PROCUREMENT CAPACITY

Ref.	Tasks	Responsibility	Due date
1	Set up the INS procurement unit	INS	Four month after effectiveness
2	On the job training of identified procurement staff on Bank procurement procedures by the recruited technical assistant in procurement	Ministry of Planning for CGPMP and INS for its procurement unit	Continuous
3	Training of staff on World Bank procurement procedures in a specialized institution performing in DRC or abroad	Ministry of Planning CGPMP and INS procurement unit	Four months after effectiveness
4	Set up an adequate project filing system in order to better keep procurement documents and reports and identify a staff responsible for this task. Train staff in data management.	Ministry of Planning for CGPMP and INS for its procurement unit	Four months after effectiveness
5	Prepare/update an INS administrative and financial manual including World Bank specific components.	INS	Four months after effectiveness
6	Identify the root cause of procurement delays at national level and propose appropriate solutions (global)	CGPMP, INS Procurement Unit, DGCMP, ARMP and CSPP/World Bank	By the end of next FY
7	Recruitment of one technical assistant in procurement who will train; coach and advise the CGPMP of Ministry of planning; and mentor the INS procurement unit.	INS	Four months after effectiveness

## F. Frequency of Procurement Supervision

38. In addition to the prior review carried out by the Bank, the procurement specialist recommends at least two implementation support field missions to carry out post review of procurement activities. As agreed with the government, contracts will be published on the web. Annual compliance verification monitoring will also be carried out by an independent consultant and would aim to:

- (a) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement;
- (b) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;
- (c) review and comment on contract administration and management issues as dealt with by the implementation entity;
- (d) review capacity of the implementation entity in handling procurement efficiently; and
- (e) identify improvements in the procurement process in the light of any identified deficiencies.

**39. Contract Management and Expenditure Reports:** As part of the Procurement Management Reports (PMR), the INS will submit contract management and expenditure information in quarterly reports to the World Bank for the whole project. The procurement management report will consist of information on procurement of goods, works and consultants' services and compliance with agreed procurement methods. The report will compare procurement's performance against the plan agreed at negotiations and as appropriately updated at the end of each quarter. The report will also provide any information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes if any. These contract management reports will also provide details on payments under each contract, and will use these to ensure no contract over-payments are made or no payments are made to sanctioned entities.

#### **G. Procurement planning**

40. The borrower has prepared a Procurement Plan for the first 18 months of the project implementation which provides the basis for the procurement methods. This plan has been agreed between the borrower and the Bank. It will also be available in the project's database and in Bank's external website. The Procurement Plan will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

**TABLE 3.5: THRESHOLDS FOR PROCUREMENT METHODS AND PRIOR REVIEW**

<b>Expenditure Category</b>	<b>Contract Value Threshold (US\$)</b>	<b>Procurement Method</b>	<b>Contracts Subject to Prior Review (US\$)</b>
<b>1. Goods</b>	≥1,000,000	ICB	All
	<1,000,000	NCB	All contracts ≥500,000 and the first two contracts
	<500,000	Shopping from all major brands of vehicles dealers or distributors of petroleum products	Shortlist of: (i) vehicles dealers; and (ii) distributors of petroleum products. The technical specifications of vehicles.
	<100,000	Shopping	None
	All amount	Direct contracting	≥100,000
<b>2. Services</b>	≥200,000		All
	<200,000	CQ	None
	All amount	SSS	≥100,000
<b>Individual Consultants</b>	≥100,000	IC	All
	<100,000	IC	None
	All amount	SSS	≥100,000
<b>All TORs regardless of the value of the contract are subject to prior review.</b>			

*Note:* ICB: international competitive bidding; NCB: national competitive bidding; CQ: consultants qualification; SSS: single source selection; IC: individual consultant.

## ANNEX 4: IMPLEMENTATION SUPPORT PLAN

### Democratic Republic of Congo Statistics Development Project (P150148)

- 1. Strategy and Approach for Implementation Support:** The strategy for implementation support has been developed based on the nature of activities involved in the project and the commensurate risk profile in accordance with the risk assessment. The Implementation Support Plan, as described below, will be a living document and will be reviewed regularly and revised when required during the implementation, at least on a half yearly basis.
- 2. Technical Support:** The World Bank will provide required technical support through sector specialists to supervise the technical aspects of improving human resources management, data collection, processing and dissemination; as well as upgrading IT infrastructure. The implementation support will be provided through at least two implementation support missions a year and through continuous exchange of correspondence and frequent use of telecommunication and short interim visits will be conducted to maintain a close coordination among the Bank team and the project staff.
- 3. Procurement:** The capacity assessment of the implementing agency has recommended a supervision site visit every six months and at least one annual post-procurement review. Missions in the first 18 months shall have a Bank procurement specialist or a specialized consultant.
- 4. Financial Management:** The project will be supervised regularly using a risk-based approach that will review audit reports and IFRs and advise the task team on all FM issues. Because the risk assessment is “substantial,” the project will be supervised at least twice a year; the schedule may be adjusted as need arises. The ISR will include an FM rating of the project. A support mission will be carried out once the project becomes effective to ensure project readiness. To the extent possible, mixed on-site supervision missions will be undertaken with colleagues specializing in procurement and disbursement monitoring and evaluation and disbursement.
- 5. Human Resources:** The establishment of the Human resources framework will be critical to the overall capacity of the National Institute of Statistics to implement the technical element of the project. The team recommends that the HR specialist would be hired within the first 12 months and that at least one supervision mission would be conducted to set up goals to be reviewed on an annual basis. A semi-annual progress review will help in ensuring the implementation of the priority items as well as necessary adaptation to market dynamics and the HR specialist will be closely supported by the Lead HR specialist. After 18 months of completion, a new institutional capacity assessment will be conducted jointly by the Bank and the Client's team.

**Table A4.1: Implementation Support**

Time	Focus		Resource Estimate	Partner Role
First Twelve months	Procurement Training	Procurement specialist	6 SWs	NA
	Financial Management training and supervision	FM specialist	3 SWs	NA
	Institutional reform	Public sector Specialist	2 SWs	NA
	Communication	Communication Specialist	4 SWs	NA
	IT Infrastructure / Statistical Systems	IT Specialist	3 SWs	NA
	Review and elaborate tailored HR guidelines and policies, aligned to business requirements	HR specialist	4 SWs	NA
	Statistician/Economist	Statistician/Economist	4 SWs	NA
12-24 months	Procurement supervision	Procurement specialist	2 SWs	NA
	Financial Management supervision	FM Specialist	2 SWs	NA
	Communication	Communication Specialist	2 SWs	NA
	Develop career framework, including promotion and advancement criteria, professional development accreditation	HR specialist	4 SWs	

**Table A4.2: Staff Skill Mix for Implementation Support**

Skills needed	Number of staff weeks	Number of trips	Comments
Statistician/Economist (National Accounts, Agriculture statistics, Informal sector, External trade, households' budget surveys...)	6	2 (International) and local	n/a
Survey Specialist	6	4	DC Based
Procurement specialist	6	local	County office based
Financial Management Specialist	4	local	County office based
Public Sector reform specialist	2	1 (international)	County office based
Communication specialist	4	local	County office based
Statistical Systems / ICT Infrastructure Specialist	4	2 (international)	DC Based
Task team leader	20	3 (international)	DC Based
Senior HR specialist	8	2 (international)	Based on DC – combined missions