

**PROJECT INFORMATION DOCUMENT (PID)
ADDITIONAL FINANCING**

Report No.: PIDA4159

Project Name	BO Strengthening Statistical Capacity AF (P147051)
Parent Project Name	Strengthening Statistical Capacity and Informational Base for Evidence-Based Planning (P101336)
Region	LATIN AMERICA AND CARIBBEAN
Country	Bolivia
Sector(s)	Central government administration (46%), Sub-national government administration (46%), Public administration-Agriculture, fishing and forestry (8%)
Theme(s)	Managing for development results (40%), Economic statistics, modeling and forecasting (40%), Other public sector governance (20%)
Lending Instrument	Investment Project Financing
Project ID	P147051
Parent Project ID	P101336
Borrower(s)	Government of the Plurinational State of Bolivia
Implementing Agency	Instituto Nacional de Estadisticas
Environmental Category	C-Not Required
Date PID Prepared/Updated	24-Apr-2014
Date PID Approved/Disclosed	25-Apr-2014
Estimated Date of Appraisal Completion	29-Apr-2014
Estimated Date of Board Approval	18-Jun-2014
Decision	

I. Project Context

Country Context

Bolivia's strong economic performance over the past decade is likely to continue in the coming years. After a decade of robust growth, with an average growth rate of 4.8%, Bolivia achieved a growth rate of 6.5% in 2013. This strong performance is due in part to increased public expenditures and gas exports to Argentina, which allowed Bolivia to maintain a fiscal surplus for the seventh consecutive year as well as an external surplus for 2013. However, growing public expenditures reduced the fiscal surplus from 1.8% of GDP in 2012 to .1% of GDP. The current account surplus also decreased from 5.8% of GDP for the first three quarters of 2012 to 3.5% for the same period of 2013. As a result, the trend of growing international reserves halted and eventually stagnated in mid-2013 around \$14.4 billion. Inflation decreased from 7.5% in October 2013 to 5.7% in January 2014. However, new inflationary pressures may emerge due to a boost in

domestic demand—linked to public investments during an electoral year, and severe rains affecting agricultural production.

Bolivia has achieved important advances on reducing poverty and generating shared prosperity. Poverty incidence substantially decreased from 63% in 2002 to only 45% in 2011, while extreme poverty reduced from 37 percent in 2002 to 21 percent in 2011. Inequality—as measured by the Gini index—decreased from 0.60 in 2002 to 0.47 in 2011. Over this period, the average income of the bottom 40% of the population increased by 15% each year—three times faster than for the population as a whole. Bolivia has reached the Millennium Development Goals on extreme poverty, malnutrition, literacy, gender equality, births attended by health staff, protected areas, and consumption of chlorofluorocarbons, and is likely to reach some more by 2015.

Sectoral and institutional Context

In order for the State to play a stronger role in the economy, including designing policies and measuring results, higher quality statistical information is required. The 2009 Constitution and the National Development Plan grants the State a critical role in the country's development agenda, including for planning, implementing, and monitoring and evaluating development policies. In this sense, the Government requested the World Bank to expand its support to strengthen the country's statistical capacity through the proposed Additional Financing (AF). This AF will be executed—as the original project—by the National Statistics Institute, a robust and well-performing executing agency, which is also the core of the National Statistical System.

II. Proposed Development Objectives

A. Current Project Development Objectives – Parent

The project development objective is to strengthen the statistical capacity and improve the informational base of the Recipient, in order to provide quality information, as defined by its reliability, timeliness, accuracy and representativeness with the level of disaggregation necessary to support systems for planning, designing, monitoring and evaluating public programs and policies.

B. Proposed Project Development Objectives – Additional Financing (AF)

III. Project Description

Component Name

Component 2: Economic Statistics

Comments (optional)

Component 2 will be expanded and renamed "Economic Statistics" to incorporate the complementary AF activities. The existing activity (National Agricultural Census) will become a sub-component. The related activities under the AF (Economic Census of Establishments, Agricultural Survey, and Consumer Price Index) will become sub-components under Component 2 as well.

Component Name

Component 3: Social Statistics

Comments (optional)

Component 3 will be expanded and renamed "Social Statistics" to merge existing activities and complementary AF activities under one component. Previous Component 3 (National Population &

Housing Census) and Previous Component 4 (Continuous Household Survey) will become sub-components under the new expanded Component 3. The related activities under the AF (Demographic and Health Survey and Household Budget Survey) will become sub-components under Component 3 as well.

Component Name

Component 4: Modernization

Comments (optional)

This is a new component under the AF to redesign and update norms, methodologies, technology and quality standards for strengthening the PSS and its statistical units.

As part of the extension of the project, which seeks to modernize statistical system. the implementing agency after a careful assessment will move towards the use of electronic devices to collect data in the activities that were deemed suitable for such change. In addition, the three surveys included in the AF will use the updated sampling frames that are derived from the National Population and Housing Census and the National Agricultural Census.

Component Name

Component 5: Cross-cutting Teams and Project Coordination

Comments (optional)

This is a new component under the AF which includes technical and administrative activities to support the implementation of the four components above. It includes the Teams responsible for overall planning, monitoring and evaluation, dissemination, unit for coordination and engagement with social organizations (including IP), logistics and sampling, training, IT, data consistency, and cartography.

IV. Financing (in USD Million)

Total Project Cost:	28.26	Total Bank Financing:	23.40
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			4.86
International Development Association (IDA)			23.40
Total			28.26

V. Implementation

The AF will maintain the same institutional arrangements and overall implementation mechanisms currently used by the original Project, with minor adjustments based on lessons learned throughout the implementation of the existing project. The Mid-Term Review of the original Project stressed the importance of: (i) having an administrative team with previous knowledge of World Bank’s rules and regulations to ensure timely progress of administrative and fiduciary processes; (ii) including public officials in technical and administrative trainings, and of including existing units into the planning and monitoring activities to ensure institutional memory; (iii) adequate planning of technical activities and in coordination with the administrative unit in order to prevent having to rush into processes.

Financial Management & Procurement:

Based on INE’s existing capacity and performance in the original Project, proposed FM arrangements are considered acceptable. Throughout the implementation of STATCAP project, INE has developed expertise and has put in place acceptable operational arrangements (including financial management) to support project implementation and provide reliable financial information for monitoring purposes. Following existing arrangements, project budget will be fully integrated and executed through the National Budget; and accordingly, project transactions will be processed and paid through the Bolivian Government’s integrated financial management system (SIGMA) and Treasury Single Account (CUT). The use of SIGMA will be complemented with INE’s information system VISUAL for the preparation of financial reports. A single set of semi-annual IFRs – reflecting both the original and AF proceeds– will be submitted to the Bank 30 days after the end of each calendar semester. Following the current practice the following disbursement methods will be used: a) reimbursement; b) advance; and c) direct payment. A specific DA for the AF proceeds will be opened as a separate Libreta within the CUT-ME. Advances to the DA will be made on the basis of periodic forecasts and supporting documentation will be based on financial reports, as detailed in the Disbursement Letter. Annual audited financial statements for the project as a whole will be submitted six months after the end of the FY. Project activities are straightforward, and do not require complex institutional arrangements, but require the transfer of funds to INE’s Regional Offices, which undertake responsibility for administrative tasks. INE has developed the expertise and existing FM arrangements are acceptable. However, its effective operation will continued depending of INE’s ability to maintain qualified and experienced staff. INE is also working on further strengthening its internal processes and procedures, mainly for the operation through Regional Offices.

Procurement capacity and arrangements remain adequate. The Bank and INE have agreed the following strengthening measures to increase capacity: (i) updating the project’s Operational Manual prior to negotiations, (ii) inclusion of Special Procurement Provisions in the Legal Agreement, and (iii) train the technical and fiduciary staff in procurement and contract administration.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

Like the parent project, OP4.10 is triggered for this Additional Financing. While the original Project was treated as an Indigenous Peoples Project and embedded the elements of an Indigenous Peoples Plan in the overall project design, the AF is considered Technical Assistance (TA) in accordance

with OP 8.40, and thus the “Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank” from January 2014 are applicable.

Due to the nature of the activities under the Additional Financing, and based on the Interim Guidelines, it was deemed that the original Project’s approach in the application of OP 4.10 should be modified. As part of preparation of the AF, the team has reviewed extensive documentation provided by the client concerning agreements, participation, consultations and modifications made as a result of consultations of the activities of the original Project with the major indigenous organizations throughout the country. These documented activities demonstrate the institutional capacity and commitment of INE to engage with IPs and to take into account the diversity of IPs groups, as well as to adapt key elements of the process to respond to these cultural issues.

Lessons learned and best practices in engaging with IPs have been incorporated into the draft strategy for engagement with indigenous peoples that sets out the approach and practical methodological guidelines for the considerations of indigenous peoples’ issues, as part of the Project’s Operations Manual. The strategy also lays out the broad approach, methodology, timetable and key participants for the engagement with indigenous communities in all stages of the different statistical operations and activities where relevant, and stipulates the inclusion of the relevant feedback into enumerator manuals and/or methodologies for the field work as necessary.

The Integrated Safeguards Datasheet (ISDS) has been updated based on the new activities under the AF, and revised based on the strategy that was prepared by the Borrower.

VII. Contact point

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