Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 31-Mar-2020 | Report No: PIDA27508
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
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<tbody>
<tr>
<td>Somalia</td>
<td>P171160</td>
<td>Somali Integrated Statistics and Economic Planning Capacity Building</td>
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<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tbody>
<tr>
<td>AFRICA</td>
<td>03-Feb-2020</td>
<td>20-May-2020</td>
<td>Poverty and Equity</td>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Somalia</td>
<td>Ministry of Planning, Investment &amp; Economic Development</td>
</tr>
</tbody>
</table>

### Proposed Development Objective(s)

Strengthen the national statistical system in the collection, processing and dissemination of poverty and selected macro-economic data to inform development policy and poverty reduction activities.

### Components

- **Component 1:** Strengthening coordination, statistical infrastructure and data development of the national statistical system
- **Component 2:** ICT development and equipment of the national statistical system
- **Component 3:** Data utilization for M&E and Planning
- **Component 4:** Project management

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<p>| | |</p>
<table>
<thead>
<tr>
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<tr>
<td>Total Project Cost</td>
<td>25.00</td>
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<tr>
<td>Total Financing</td>
<td>25.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
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<tr>
<td>Financing Gap</td>
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</table>

### DETAILS

World Bank Group Financing
International Development Association (IDA) | 25.00
---|---
IDA Grant | 25.00

Environmental and Social Risk Classification
Moderate

Decision
The review did authorize the team to appraise and negotiate

B. Introduction and Context

1. While progress has been made in rebuilding the country after decades of conflict, Somalia remains one of the poorest countries in the world. Sixty-nine percent of the population lives on less than US$1.90 per day per capita, in 2011 purchasing power parity. Poverty is even more prevalent and deeper among hard to reach populations such as rural residents and nomads. Given their remoteness and mobility, their poverty is also multidimensional due to lower access to basic services such as education and improved water and sanitation. The levels of social-economic achievement in the country remain low in many domains: For instance, only one third of primary school-aged children are enrolled, half of the population is literate, and women have less educational attainment than men across virtually all age-groups. Natural disasters, conflict and displacement affect large fractions of the population, leaving internally displaced persons to face unique challenges beyond poverty including tenure insecurity and dislocation from social networks and former livelihoods. With most Somalis vulnerable to many forms of shocks, especially those related to climate change, building resilience is essential.

2. The preparation of a full Poverty Reduction Strategy Paper (PRSP), which is necessary to obtain full debt relief under a World Bank and IMF initiative known as Heavily Indebted Poor Countries (HIPC), requires a sustainable and reliable statistical system to track the poverty reduction strategy, macroeconomic and structural reform programs. However, the existing national statistical system (NSS) is weak, eroded by years of conflict, fragmented and lacking coordination while the statistical infrastructure is missing thus jeopardizing Somalia’s aspiration for full debt relief if not addressed. It is therefore urgent for Somalia to invest in rebuilding the NSS. A strong and well-coordinated statistical system will be better placed to generate needed basic statistics necessary for policymaking that will support conditions for inclusive growth and poverty reduction.

Sectoral and Institutional Context

3. To promote an evidence-based approach to policy- and decision-making, a strengthened NSS is needed, as well as improved links of data from NSS to the national planning, monitoring and evaluation and project and program implementation processes. Three areas constrain these institutions’ core functions: (1) low capacity of the
national statistical system to produce, disseminate and enhance the use of statistics; (2) weak links between the statistical system and policy- and decision-making processes; (3) insufficient capacity to generate the evidence needed to inform the policy and budgeting processes.

4. Years of civil war and ongoing conflict in parts of the country have considerably eroded the Somali statistical system, infrastructure and capacity leading to gaps in statistical information that is vital for national development. Somalia has taken steps to improve the statistical system in the last five years, including the enactment of a new Statistics Act, but is still far from a fully functioning NSS needed to produce official statistics. First, The production of national accounts statistics is hampered by a myriad of challenges such as weak coordination among data producers, lack of statistical data and infrastructure and inadequate human resources. National accounts are mainly limited because the source data and methodology underpinning the estimates are weak. The compilation of the production-based estimates of GDP is constrained because there is no comprehensive and up-to-date statistical data and infrastructure. Second, Somalia has no nationally-representative consumer price index (CPI). This impedes the ability of decision-makers to track inflation, which is a key economic indicator and undermines the accuracy of statistics that incorporate price statistics, including poverty statistics and macroeconomic statistics (such as real GDP). Third, Household surveys of adequate representativeness to support the monitoring of monetary and non-monetary dimensions of poverty are few.

5. The ability of the Monitoring and Evaluation Directorate (MED) to fulfill its core functions remains constrained by lack of human resource capacity, quality data and appropriate information and communication technology (ICT) tools. MED faces substantial challenges which hinder its role of monitoring and evaluating implementation progress of public projects, programs and policies outlined in NDP9. To address these challenges, MED’s staff needs to be trained to acquire M&E skills. There is also a need to develop better indicators and targets at the program level, as well as get quality administrative data from the NSS that feed into those indicators.

6. FGS agencies responsible for economic and financial management have limited analytical capacity to meet their stated objectives. The newly established National Economic Council (NEC) aims to strengthen policy formulation and implementation in line with the country’s economic agenda to promote inclusive and sustained economic recovery. The NEC has a technical arm—comprising of National Economic Advisors (NEA) and Economic Policy Analysis Unit (EPAU)—which supports the delivery of its mandate through undertaking evaluations and evidence-based research and analysis to inform economic policy formulation and reforms. In addition, the FGS departments responsible macroeconomics and fiscal planning and monitoring have limited technical capacity for carrying out macroeconomic-fiscal programming, budget preparation and implementation.

C. Proposed Development Objective(s)

**Development Objective(s) (From PAD)**

**Strengthen the national statistical system in the collection, processing and dissemination of poverty and selected macro-economic data to inform development policy and poverty reduction activities.**

7. The Project Development Objective will be achieved through: (i) Strengthening the national statistical system will be achieved through (i) support in the implementation of the proposed legal and institutional reforms; (ii) provision of trainings and equipment to key producers of official statistics, and (iii) support to production of key statistical products.
8. Priority statistics gaps to fill include poverty statistics, revision of the Consumer Price Indices (CPI) and national accounts. The project will assist in the production of administrative data, especially the key datasets needed for the national accounts’ compilation. The project will provide training to the national accounts’ staff to prepare the transitional accounts and other statistical tables for translating micro-data or consolidated data from administrative sources to national accounts. The project will also support carrying out an integrated business establishments survey as well a Household Budget Survey.

D. Project Description

9. The project has four components: (1) Strengthening coordination, statistical infrastructure and data development of the national statistical system, (2) ICT development and equipment of the national statistical system, (3) Data utilization for M&E and planning, and (4) Project management.

Component 1: Strengthening coordination, statistical infrastructure and data development of the national statistical system

10. The aim for this component is to provide support to key official statistics producing agencies in strengthening the capacity of the country’s National Statistical System (NSS) to collect data for poverty and macroeconomic monitoring (national accounts/GDP/sector growth, inflation, key administrative data). It will also support the review and improvement of existing institutional frameworks so that the interaction and dialogue between the Directorate of National Statistics (DNS) and statistical agencies units in the line ministries, departments and public agencies (MDAs) are institutionalized and streamlined, thereby increasing efficiency of the system. Developing protocols so that DNS can compile and effectively disseminate the necessary official statistics from the administrative sources along with the results of statistical surveys it undertakes. It will assist in the implementation of the legal changes outlined in the new Statistics Bill.

11. Activities to be supported under this component include (a) Coordination of the National Statistics System, (b) Design and Implementation of the Somali Integrated Household Budget Survey, (c) Production of Business and key Administrative Data for the Compilation of National Accounts, (d) Strengthening human capacity in Poverty, CPI and National Accounts statistics, (e) Development of a Compendium of statistical concepts and definitions, data access and information dissemination policy.

Component 2: ICT Development and Equipment of the National Statistical System

12. This component supports the Information and Communications Technology (ICT) infrastructure needed to support the production and dissemination of the social and macroeconomics statistics needed for the compilation of national accounts, CPI and poverty indicators. This component will provide computers, laptops and related IT networking equipment. The infrastructure and equipment provided will improve the administrative data compilation and dissemination process, and also enhance information access to the public and make best use of information technology channels and storage systems.

Component 3: Data Utilization for M&E and Planning

13. This sub-component seeks to support the FGS authorities in monitoring selected poverty reduction and economic growth programs and in developing economic policies, rebuilding institutions of economic
management, and enhancing institutional capacity necessary for policy formulation and implementation. This component will enhance capacity through: i) strengthening the capacity of MED to monitor the implementation progress of selected poverty and vulnerability reduction programs and projects under NDP9, and ii) supporting Economic Policy Analysis and Planning Capacity.

14. Strengthening MED Capacity will have a focus on the following activities: (i) Development and Implementation of a National M&E Framework; (ii) Design and Implementation of a Sectoral Performance Monitoring Pilots; (iii) M&E Capacity Building, and (vi) Enhancements to the M&E System Platform.

15. Supporting Economic Policy Analysis and Planning Capacity will constitute: (i) Supporting NEC and Economic Policy Analysis Unit (EPAU) operations; (ii) Providing training on macroeconomic-fiscal analysis, forecasting and reporting, particularly in the macroeconomics and revenue departments in FGS.

Legal Operational Policies

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Triggered?</th>
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<tr>
<td>Projects on International Waterways OP 7.50</td>
<td>No</td>
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<tr>
<td>Projects in Disputed Areas OP 7.60</td>
<td>No</td>
</tr>
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</table>

Summary of Assessment of Environmental and Social Risks and Impacts

16. There are no anticipated negative environmental risks or impacts. The overall social risk rating is moderate, taking into account the following key aspects of the project: the project will involve fieldwork for the collection of data and will include coverage and inclusion of a number of groups, including those traditionally unreached or marginalized, such as nomads, internally displaced persons and persons with disabilities. Without intentional targeting or focus, there is risk that data collection activities, including in development and administration of household surveys, will not sufficiently capture disaggregated data on these groups. Similarly, without systematic integration of gender in statistical programming and data production activities, including in survey design and administration, there is risk that resulting analyses will not accurately or sufficiently reflect inequalities and differences in the situation of men and women across socio-economic and human development indicators. Ensuring an inclusive and representative focus across all relevant data production activities, including hiring of enumerators, consultations, survey design, collection and analysis is critical to enable informed sectoral policies and development programming and should be documented and addressed within the project. Without strong legislation and regulatory environment the data confidentiality risks and abuse of data particularly for vulnerable and marginalised groups exists.

**E. Implementation**

Institutional and Implementation Arrangements
17. **The Ministry of Planning, Investment and Economic Development (MoPIED), through DNS (and later SNBS), will be the main agency responsible for implementation, coordination and management of the project.** To facilitate the daily tasks, a Project Implementation Unit (PIU) will be established to manage and coordinate project activities. The PIU will be headed by a Project Coordinator and will include procurement and financial management specialists. The PIU will be responsible for day-to-day coordination of project activities, including those of DNS, MED, NEC, Ministry of Finance (MoF) and statistics producing agencies; and will assist the selected key federal MDAs with coordination and alignment of their work and training programs.

18. **A high-level Project Steering Committee (PSC) will be established to facilitate the implementation and coordination among the beneficiaries of the project.** Specifically, the PSC will be responsible for: (a) providing support and resolving any constraints that may hamper development and operations of the project activities, and which will require intervention from other MDAs or arms of FGS; (b) providing policy direction on matters relating to project implementation; (c) reviewing and approving work programs and progress reports; and (d) promoting inter-agency collaboration, coordination and cooperation with regards to standards, concepts and definitions and statistical activities; and supporting external assessments and evaluations as needed.

19. **Joint Government and Development Partners Forum (JGDF).** A joint forum will be established for Government-DP consultation and dialogue about integrated project plans and budgets, performance reports and other issues requiring attention. This forum will also be a useful venue for new development partners to join the project implementation process and for existing partners to reaffirm their commitments to the project activities.

20. **The Project Technical Committee:** This committee will have a major role in guiding of the design of questionnaires/forms and survey contents and will assist in the analysis and preparation of the survey reports, and dissemination of the statistical, M&E results to larger clientele. The committee will consult with users and other stakeholders in the respective sector on the issue of planned activities and dissemination of data.

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APPROVAL

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