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R2016-0228/1

November 16, 2016

**Closing Date: Wednesday, December 7, 2016
at 6 p.m.**

FROM: Vice President and Corporate Secretary

Angola - Angola Statistics Project

Project Appraisal Document

Attached is the Project Appraisal Document regarding a proposed loan to Angola for an Angola Statistics Project (R2016-0228), which is being processed on an absence-of-objection basis.

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Report No: PAD1889

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US\$62.00 MILLION

TO THE

REPUBLIC OF ANGOLA

FOR THE

ANGOLA STATISTICS PROJECT

November 7, 2016

Poverty and Equity Global Practice
Africa Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective 10/04/2016)
Currency Unit = Angolan Kwanza (AOA)
AOA165.74 = US\$1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AWP	Annual Work Plan
CPI	Consumer Price Index
CPS	Country Partnership Strategy
CQS	Selection based on the Consultants' Qualifications
CNEST	Conselho Nacional de Estatística (National Statistics Council)
DA	Designated Account
DP	Development Partner
FAO	Food and Agriculture Organization of the United Nations
FBS	Selection under a Fixed Budget
FM	Financial Management
FMS	Financial Management Specialist
FPM	Financial Procedures Manual
GoA	Government of Angola
GDP	Gross Domestic Product
HR	Human Resource
IC	Individual Consultant
ICB	International Competitive Bidding
ICT	Information and Communication Technology
IUFR	Interim Unaudited Financial Report
INE	Instituto Nacional de Estatística de Angola (National Institute for Statistics of Angola)
IT	Information Technology
LCS	Least-Cost Selection
M&E	Monitoring and Evaluation
NCB	National Competitive Bidding
NSDS	National Strategy for Development of Statistics
NSS	National Statistics System
PAT	Project Assurance Team
PDO	Project Development Objective

PEMFAR	Public Expenditure Management Financial Accountability Review
PIU	Project Implementation Unit
PP	Procurement Plan
PPA	Project Preparation Advance
PSC	Project Steering Committee
QCBS	Quality- and Cost-Based Selection
SCI	Statistical Capacity Index
SNA	System of National Accounts
SSS	Single-Source Selection
ToR	Terms of Reference
UN	United Nations

Regional Vice President:	Makhtar Diop
Country Director:	Elisabeth Huybens
Senior Global Practice Director:	Carlos Silva-Jauregui
Practice Manager:	Pablo Fajnzylber
Task Team Leader:	Utz Johann Pape

ANGOLA
Angola Statistics Project (P157671)

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PAD DATA SHEET
ANGOLA
Angola Statistics Project (P157671)
PROJECT APPRAISAL DOCUMENT
AFRICA

Report No.: PAD1889

Basic Information			
Project ID P157671	EA Category C - Not Required	Team Leader(s) Utz Johann Pape	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 30-Nov-2016	Project Implementation End Date 30-Nov-2021		
Expected Effectiveness Date 18-Jan-2017	Expected Closing Date 30-Nov-2021		
Joint IFC No			
Practice Manager/Manager Pablo Fajnzylber	Senior Global Practice Director Carlos Silva-Jauregui	Country Director Elisabeth Huybens	Regional Vice President Makhtar Diop
Borrower: Republic of Angola (Ministry of Finance)			
Responsible Agency: National Institute for Statistics of Angola (INE)			
Contact: Telephone No.:	Camilo Ceita +244 226 420 730	Title: Email:	Director General camilo.ceita@ine.gov.ao
Project Financing Data(in US\$, million)			
[X]	Loan	[]	IDA Grant
[]	Credit	[]	Grant
[]		[]	Guarantee
[]		[]	Other
Total Project Cost:	62.00		Total Bank Financing: 62.00
Financing Gap:	0.00		

Financing Source							Amount			
Borrower							0.00			
International Bank for Reconstruction and Development							62.00			
Total							62.00			
Expected Disbursements (in US\$, million)										
Fiscal Year	2017	2018	2019	2020	2021	2022				
Annual	2.50	15.00	18.00	15.00	6.50	5.00				
Cumulative	2.50	17.50	35.50	50.50	57.00	62.00				
Institutional Data										
Practice Area (Lead)										
Poverty and Equity										
Contributing Practice Areas										
Agriculture, Macro Economics & Fiscal Management										
Proposed Development Objective(s)										
The project development objective is to strengthen the capacity of the National Institute for Statistics to fill data gaps, improve statistical production, and enhance statistical dissemination practices.										
Components										
Component Name							Cost (US\$, millions)			
Institutional Reform and Capacity							3.50			
Data Production and Dissemination							56.35			
Project Management							2.00			
<i>Front-end Fee</i>							<i>0.15</i>			
Systematic Operations Risk- Rating Tool (SORT)										
Risk Category								Rating		
1. Political and Governance								Moderate		
2. Macroeconomic								Moderate		
3. Sector Strategies and Policies								Moderate		
4. Technical Design of Project or Program								Low		
5. Institutional Capacity for Implementation and Sustainability								Substantial		
6. Fiduciary								Substantial		
7. Environment and Social								Low		
8. Stakeholders								Low		
9. Other										
OVERALL								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
Deployment of finance staff		17-Apr-2017	
Description of Covenant			
Not later than three (3) months after the Effective Date, INE shall deploy two finance staff to support the Project Implementation Unit (Project Agreement: Schedule for Execution of Project, Section I.B.1).			
Name	Recurrent	Due Date	Frequency
Establishment of Project Steering Committee		17-Feb-2017	
Description of Covenant			
Not later than thirty (30) days after the Effective Date, the Project Implementing Entity shall establish a Project Steering Committee with functions, responsibilities and composition acceptable to the Bank, for the purposes of overseeing the work of the Project Implementation Unit, including the monitoring of Project progress and the approval of the Annual Work Plans (Project Agreement: Schedule for Execution of Project, Section I.B.2).			

Name	Recurrent	Due Date	Frequency	
Adoption of Financial Procedures Manual		17-Apr-2017		
Description of Covenant				
Not later than three (3) months after the Effective Date, the Project Implementing Entity shall prepare and adopt a Financial Procedures Manual (FPM), satisfactory to the Bank, and thereafter carry out the Project in accordance with said manual which shall include the finance and administrative procedures of the Project, as well as the institutional arrangements, budgetary control, disbursement procedures and banking arrangements, internal control procedures, accounting system and transaction records, reporting and audit arrangements (Project Agreement: Schedule for Execution of Project, Section I.C.1).				
Name	Recurrent	Due Date	Frequency	
Computerized accounting software		17-May-2017		
Description of Covenant				
Not later than four (4) months after the Effective Date, INE shall acquire and install computerized accounting software (Project Agreement: Schedule for Execution of Project, Section II.B.3).				
Name	Recurrent	Due Date	Frequency	
Appointment of Auditors		17-May-2017		
Description of Covenant				
Not later than four (4) months after the Effective Date, INE shall appoint the internal and external auditors for the Project (Project Agreement: Schedule for Execution of Project, Section II.B.3).				
Conditions				
Source Of Fund	Name	Type		
IBRD	Execution of the Subsidiary Agreement	Effectiveness		
Description of Condition				
The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity (Loan Agreement: Article V.5.01.a).				
Source Of Fund	Name	Type		
IBRD	Appointment of experienced Financial Management Specialist	Effectiveness		
Description of Condition				
The Borrower shall cause the Project Implementing Agency to appoint a Project financial management specialist at the PIU on the terms and conditions acceptable to the Bank (Loan Agreement: Article V.5.01.b).				
Team Composition				
Bank Staff				
Name	Role	Title	Specialization	Unit
Utz Johann Pape	Team Leader (ADM Responsible)	Economist		GPV01
Antonio L. Chamuco	Procurement Specialist (ADM Responsible)	Senior Procurement	Procurement	GGO07

		Specialist		
Amos Martinho Malate	Procurement Specialist	Procurement Specialist		GGO07
Joao Tinga	Financial Management Specialist	Financial Management Specialist	FM	GGO26
Alexandra C. Bezeredi	Safeguards Specialist	Lead Social Development Specialist		GSU01
Ana Maria Carvalho	Team Member	Senior Operations Officer		AFMAO
Aniceto Timoteo Bila	Peer Reviewer	Sr Agricultural Spec.		GFA07
Calogero Carletto	Peer Reviewer	Lead Economist		DECDG
Carlos Chadreque Penicela Da Maia	Team Member	Economist		GPV01
Domingas de Fatima Rego Pegado	Team Member	Program Assistant		AFMAO
George Ferreira Da Silva	Team Member	Finance Analyst		WFALA
Joao Pedro Wagner De Azevedo	Team Member	Lead Economist		GPV03
Jose C. Janeiro	Team Member	Senior Finance Officer		WFALA
Josefine Durazo	Team Member	Survey Specialist	Household Surveys	DECDG
Kathleen G. Beegle	Peer Reviewer	Program Leader		AFCW1
Mariana Margarita Montiel	Counsel	Senior Counsel		LEGAM
Naman Keita	Team Member	Consultant	Agriculture	DECSM
Rafael Chelles Barroso	Team Member	Senior Economist	MFM	GMF01
Silvana Feitosa Oliveira Hill	Team Member	Program Assistant		LCC5A
Thomas Danielewitz	Peer Reviewer	Senior Operations Officer		OPSRR

Extended Team					
Name	Title	Office Phone	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants Required? Consulting services to be determined					

I. STRATEGIC CONTEXT

A. Country Context

1. **Angola is one of the largest countries in Sub-Saharan Africa, the third-largest African economy, and one of the largest African oil producers.** Angola became independent from Portugal in 1975. The country, however, fell into a civil conflict that lasted 27 years and ended with a peace accord in 2002. In 2014, the first population census conducted since independence counted a population of about 26 million, with over 27 percent living in the Luanda Province and 37 percent in rural areas. Despite being an upper-middle-income country, about 37 percent of the Angolan population was below the international poverty line in 2008. Inequality indicators suggest a decline over time of the Gini index from 52 in 2000 to 43 in 2008. In 2011, the country had a net enrollment rate of 86 percent in primary education and a literacy rate among the youth of 73 percent in 2013. It had an infant mortality rate of 99 per 1,000 live births in 2014 compared to 58 per 1,000 in Sub-Saharan Africa. The under-five mortality rate was 157 per 1,000 in 2015 compared to 83 in Sub-Saharan Africa.

2. **Propelled by the end of the civil conflict and high oil prices, the Angolan economy posted an average growth rate of 12.5 percent between 2004 and 2008.** This period of high growth rates was interrupted by the 2008–09 crisis that brought oil prices down. From 2009 to 2011, Gross Domestic Product (GDP) grew at 2.5 percent on average. Economic growth resumed its fast pace in 2012 with a 7.6 percent growth rate, but was recently hit by another drop in oil prices. This time, as opposed to the 2008–09 episode, the effect has been stronger as the drop in oil prices appears due to a structural shift in the oil sector led by the increasing role of unconventional oil in the global supply mix. Prices are expected to remain low for a prolonged period of time. GDP growth for 2014 and 2015 is estimated by the Government at 4.8 percent and 3 percent, respectively.

3. **Angola is an oil-dependent country.** Oil exploitation accounts directly for one-third of the country's GDP but has a huge indirect effect on the economy, which ends up dictating the pace of the whole economy as can be seen by the correlation between the value of oil production and GDP growth. The Angolan economy is not diversified with oil exploitation and refinery accounting for 90 percent of the industrial production, and most consumer goods have to be imported.

4. **Angolan dependency on oil is also seen in its fiscal accounts, and oil revenues historically account for three-quarters of government revenues on average.** The period of high oil prices allowed Angola to increase current and capital expenditures and still have a balanced budget and low debt levels. This reality, however, has changed since 2014. Revenues were almost halved and large cuts had to be made to expenditures. Fuel subsidies were cut, public investment was reduced to its lowest levels in years, and purchases of goods and services was severely restricted to the point of generating some arrears. After showing a large budget deficit in 2014, the Government was able to reduce the budget deficit in 2015. The fiscal consolidation path however was not maintained in 2016 since the Government decided to increase public investment (and the deficit) to revive economic growth. Public debt increased to fill the budget gap and also because of the exchange rate depreciation, affecting one half of public debt that is denominated in foreign currency.

5. **Angola is in need of a much stronger and concerted policy response to the drop in oil prices.** The fall in oil prices has generated twin deficits in Angola. Although the initial policy response was broadly adequate, it has become disjointed over time. Monetary policy became more accommodating, with interest rates negative in real terms. Following a 60 percent devaluation, the currency was re-pegged to the dollar and access to foreign exchange was even more rationed. As the fiscal position was not further consolidated, Angola is now experiencing an annual inflation rate of about 40 percent, a significant wedge between the official and parallel exchange rate (550 kwanza vs 165 to the dollar) and budget deficits of 6 percent of GDP. Public debt was at 26.4 percent of GDP in 2014, but now it is estimated to be above the limit of 60 percent of GDP set by the law. Additional and stronger policies are needed to contain inflation and bring real interest rates back in positive territory.

6. **The agricultural sector is one of the most promising sectors for diversification of the economy.** The sector accounts for about 11 percent of GDP in Angola. It contributed considerably to GDP growth with a growth rate of 10 percent in 2014. The sector is also a substantial provider of employment for the rural population. Small farmers (agricultural households) are the main contributors to agricultural production with more than 80 percent of cultivated area. The agricultural sector has suffered significantly from the past instability and civil war, but several programs for smallholder and commercial farmers are currently planned with the aim to develop the sector that has a considerable potential to be one of the drivers of poverty reduction.

7. **Despite the importance of the agricultural sector, timely and accurate data on its structure and trends of the development of agricultural activities are very limited in Angola.** The last agricultural census dates back to the early 1970s. Since the country's independence in 1975, no nationally representative agricultural survey has been implemented. This lack of reliable and up-to-date data is a major constraint for policy makers and investors in the sector as well as for national statistics like the national accounts which currently have to rely on outdated data and estimates.

8. **In its National Development Plan 2013–17, the Government of Angola (GoA) identifies the improvement of official statistics as one of the national policy objectives.** In Angola, lack of timely and reliable data poses a problem for evidence-based decision making in key areas including national accounts and welfare in addition to agriculture. Improved statistics will inform the Government's policies and allow monitoring of policies as well as the degree of their efficacy. The implementation of the population census, an improvement of the national statistics system (NSS), as well as implementation of key surveys for welfare and agriculture are considered important to improve the management of the public sector.

B. Sectoral and Institutional Context

9. **The National Institute for Statistics (INE: Instituto Nacional de Estatística de Angola) is the main official provider of statistics in Angola.** The legal framework of the NSS is defined in Law 3/11 from 2011, which establishes the principles and norms of the NSS. The Law 3/11 indicates that INE alongside the Banco Nacional de Angola are the official statistics producers in Angola. INE is supported by regional statistics offices as well as departments in line ministries.

10. **The overall capacity of Angola's NSS is limited.** An incomplete legal and institutional framework limits the capacity of the NSS and creates deficiencies in the production of quality statistics. Regulations and the organic statute (Estatuto Orgânico) of INE, both mandated in the Law 3/11, are drafted but still pending approval by the Council of Ministers. Currently, INE has about 250 permanent staff and 250 temporary employees. Approval of the organic statute will allow INE to modernize its staffing structure by implementing an essential human resource (HR) reform including promotions, transitioning temporary hired employees to permanent staff, and opening new positions. The reform will transform INE into an attractive and competitive workplace for staff while reducing staff fluctuations. The regulations will allow INE to incentivize enterprises into sharing vital statistics and increase INE's leverage over administrative data. More generally, coordination between different government bodies has scope for improvement. Some line ministries still implement their own sectoral surveys and publish statistics without any supervision or approval by INE. Others derive their own statistics instead of using INE's published statistics, for example, in the case of national accounts for budget purposes.

11. **INE's limited capacity to provide official statistics is reflected in a low Statistical Capacity Index (SCI) score of 47.8 in 2015 (compared to an average of 59.9 for Sub-Saharan Africa).** The existing sectoral statistics that are published are insufficient to assess the performance of the economy. For instance, demographic and migration statistics, monetary and financial statistics, trade statistics, and price statistics are of low quality. Statistics on crime and justice, business, investment, construction, informal sector, agriculture/forestry, transport, energy, public administration, and labor costs, among other statistics, are either not produced or have insufficient quality. Also, statistics obtained from administrative sources are of low quality. These include vital education, health, migration, and culture statistics. Overall, ministries have insufficient technical capacity and either employ inappropriate methods to produce these statistics or the statistics produced do not cover the whole country.

12. **The System of National Accounts in Angola suffers from data limitations, weak methodologies, and insufficient documentation.** Angola currently uses the System of National Accounts (SNA) 1993 with a benchmark year of 2002. The chained volume estimates are insufficiently documented and might require a methodological update. More generally, documentation of sources and methods for annual national accounts is insufficient. The coverage of the national accounts is limited, especially for the informal sector as well as other activities (for example, construction and mineral exploration and evaluation). Access to administrative data and particularly tax data is limited. No quarterly GDP estimates are currently published. While the number of staff assigned to national accounts is adequate, most of those staff are inexperienced in the compilation of national accounts, resulting in too much reliance on external consultants.

13. **The main data gaps of the National Statistics System are the lack of an agricultural census and related surveys, infrequent household and employment surveys as well as an outdated business census.** An agricultural census followed by specialized surveys for subsectors will substantially improve the evidence base for agricultural policies towards the diversification of the economy. More frequent household and employment surveys will enable the authorities to update poverty and employment statistics at regular intervals allowing better monitoring and policy responses to changing trends in poverty and the labor market. A new business census will

contribute to an update of the SNA and provide the sample frame for business surveys, replacing the outdated census from 2002.

14. **Data dissemination is hampered by insufficient dissemination policies and a dormant micro-data library.** Data dissemination is regulated to some extent in the Law 3/11 from 2011. While it focuses mainly on privacy, it also states that statistics should be disseminated and be available on a website, ideally free of charge. The proposed organic statute (Estatuto Orgânico) of INE includes provisions to sell data and create a market place. Thus, the NSS lacks an explicit data dissemination policy based on the principle of open data access including micro-datasets. INE's website includes a micro-data library but both are occasionally offline. The most recent dataset online available is from 2012.

15. **The National Strategy for the Development of Statistics (NSDS) defines a strategy toward a modern NSS in Angola.** The NSDS 2015–25 defines three main strategic directions to improve the NSS: (a) to decentralize and deconcentrate the statistical activity and to strengthen the legal, organizational, operational, and coordination framework of the NSS; (b) to develop the technical capacity of the NSS to improve the quality of official statistics; and (c) to know what the users need from the NSS and provide an adequate response.

16. **The NSDS proposes an implementation in two stages.** The first stage takes place from 2015 to 2021 and focuses on the development of statistics. At the end of this phase, the NSS shall be able to produce quality official statistics and disseminate them on time to satisfy users. The second stage takes place from 2022 to 2025 and is labeled as the consolidation phase. During this phase, the NSS shall improve the statistics production and dissemination process.

17. **The proposed Angola Statistics Project is in line with the Borrower's objectives, policies, and strategies in the sector.** The project proposes a twofold strategy to improve the NSS while closing the most important data gaps. The first component of the project centers on institutional and human capacity to transform INE into a modern provider of high quality and timely statistical data. The second component will directly improve national accounts and establish monitoring systems for welfare and for agricultural production. Public access to high-quality data will stimulate policy analysis and strengthen user demand for statistics produced by INE. Institutional reform in conjunction with high user demand is expected to help securing sustainable funding of INE by the GoA after the end of the project.

C. Higher Level Objectives to which the Project Contributes

18. **The proposed statistical lending operation is directly aligned with the Country Partnership Strategy (CPS) objectives for Angola.** According to the Country Partnership Strategy (CPS) 2014-2016 (Report No. 76225-AO), which was discussed by the Board of Executive Directors on September 26, 2013, the nature of the World Bank Group's support to Angola centers around facilitating knowledge transfer, providing strategic development advice, and building institutions and capacity, for reducing poverty and promoting shared prosperity. Specifically, the World Bank Group will help strengthen Angola's national capacity to sustain a more broad-based economic and social development and shared prosperity. The proposed project aligns with the CPS objectives by improving the NSS with a focus on institutional reform, human capacity development, and data production and dissemination activities. Indirectly, it

contributes to strategic development advice by the provision of data to inform evidence-based policies.

19. **The project also contributes generally to the World Bank's activities and (planned) operations in Angola.** The improvement of national accounts supports monitoring of macro-fiscal management in Angola. The welfare monitoring system with its Household Budget and Employment survey contributes to the World Bank's poverty monitoring activities as well as social protection activities by improving our understanding of the targeting of the existing social protection program, which allows designing better targeting schemes. The agricultural production monitoring system is closely linked to the Smallholder Agriculture Development and Commercialization Project (P154447) approved in July 2016, and to the Commercial Agriculture Development Project (P159052) under preparation.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

20. **The project development objective (PDO) is to strengthen the capacity of INE to fill data gaps, improve statistical production, and enhance statistical dissemination practices.** The project will strengthen INE's capacity by institutional reform and with strengthened human capacity. Implementation of an agricultural census and specialized surveys, more frequent household and employment surveys as well as a business census will fill data gaps. Updating the SNA and its sectoral components will improve statistical production. Revised data access policies combined with a revival of the existing micro-data library, and advocacy for statistics to strengthen user demand will enhance dissemination practices.

B. Project Beneficiaries

21. **INE was identified as the main direct beneficiary of the project.** With the project's focus on agricultural statistics, the main indirect beneficiary will be the Ministry of Agriculture, which will be closely involved in the design and implementation of activities related to agricultural statistics. Other indirect beneficiaries will be the users of the statistics produced by the project. They will include (a) policy planners and makers; (b) researchers, associations, and academia; and (c) development partners (DPs).

C. PDO Level Results Indicators

22. **The key aspects of the PDO are the strengthening of INE's capacity, filling data gaps, improving statistical production, and enhancing dissemination practices.** Progress toward the PDO will be measured and monitored through the following indicators:

- (a) Increase in the Statistical Capacity Index (SCI) score;
- (b) Number of agriculture, welfare, employment, and business surveys or censuses implemented;
- (c) Improved national accounts;

(d) Number of views or downloads of statistical materials and micro-datasets.

23. **The rationale of the PDO indicators is objectivity, measurability and simplicity.** The SCI is an accepted international standard to measure statistical capacity. The number of relevant surveys measures directly the progress in filling data gaps. The third indicator measures the quality of national accounts to track improvement of statistical production defined by coverage of the informal sector, updated and published description of sources and methods, updated CPI basket, updated export and import price indexes, and estimation of quarterly GDP in current and constant prices. The focus on national accounts is warranted because the SNA relies on high quality sectoral statistics. Thus, the indicator indirectly incorporates improvement in sectoral statistics. The number of views or downloads reflects increased use of statistics and, thus, measures the impact of enhanced dissemination practices as well as civil engagement.

24. **The following key outputs of the project will be monitored:**

- (a) The number of staff who have achieved improvements in skill/knowledge (disaggregated by gender);
- (b) Number of statistical reports available online, disaggregated by availability of gendered statistics;
- (c) Number of published quarterly GDP statistics;
- (d) Number of survey and census micro-datasets available online.

25. **The monitored key outputs of the project are mapped to the PDO.** The number of trained staff measures the output of human capacity building with the aim to strengthen INE's capacity. The number of statistical reports reflect the output from filling data gaps. The number of published quarterly GDP statistics represent the key output of improved statistical production through the national accounts as those reports require production of high quality statistics as inputs. Finally, the number of datasets online is the output from enhanced dissemination practices.

III. PROJECT DESCRIPTION

A. Project Components

26. **The project will be structured around three components: (a) Institutional Reform and Capacity, (b) Data Production and Dissemination, and (c) Project Management.** The project activities will not include any civil works. While this operation aims to strengthen the capacity of INE, it will work in close collaboration with other relevant institutions, namely, the Ministry of Agriculture and Food and Agriculture Organization of the United Nations (FAO).

Component 1: Institutional Reform and Capacity (US\$3.5 million)

27. **The first component will support the transformation of INE into a modern provider of statistics.** The transformation will include institutional reform to improve INE's functional organization and political autonomy, improvement of information and communication

technology (ICT) and statistical infrastructure to create a more effective institution, and enhanced human capacity for an improvement of the quality of statistics.

Subcomponent 1.1: Institutional Reform (US\$0.5 million)

28. **An institutional assessment will provide the foundation for institutional reform.** The institutional assessment will include an analysis of the organigram as well as a functional review and an HR review. The results of the assessment will feed into a change strategy for INE complementing the organic statute and statistics regulations, both pending approval by the Council of Ministers. The assessment will provide the basis for reviewing existing laws and regulations, updating job descriptions, and matching with available skill sets, as well as reforming INE's workforce.

29. **Coordination of statistical activities in the country is important to avoid redundancies and create synergies by complementary activities.** The project will provide a platform for statistical coordination among government institutions and DPs. Existing institutions will be utilized if possible, e.g. the National Statistics Council (CNEST: Conselho Nacional de Estatística), which is currently composed of 33 members from Government bodies, civil society and trade unions. The platform will be used to discuss ongoing and planned activities related to statistics.

Subcomponent 1.2: ICT and Statistical Infrastructure (US\$1.0 million)

30. **A modern statistical producer requires the technical setup to process and disseminate data.** Based on an ICT assessment, the project will fund an upgrade of the ICT infrastructure to ensure efficient workflows for data processing and analysis, data archiving, data dissemination including the micro-data library, as well as modern Geographical Information System processing, storage, and dissemination.

31. **An important element of an effective statistical system is the definition of standards, concepts, and definitions to ensure comparability of country statistics.** The project will support a review of the national statistical compendium. This will ensure that the definitions are comprehensive and up-to-date and will henceforth support INE in its role as a guarantor of official statistics and simplify the approval of statistics from sources other than INE.

Subcomponent 1.3: Human Capacity (US\$2 million)

32. **High-quality statistics require a skilled workforce.** Based on a training needs assessment, the project will identify key trainings for INE's workforce. Trainings will include on-the-job-trainings with shadow assignments, workshops, short-term courses, certifications, and twinning arrangements with statistical offices in other Portuguese-speaking countries. Given the currently limited availability of such trainings in Angola, the project will also use statistical schools in related countries like Brazil. In addition, the project will support domestic universities in designing relevant statistics curricula and facilitate the creation of a statistical learning infrastructure in Angola.

Component 2: Data Production and Dissemination (US\$56.3 million)

33. **Angola’s statistical landscape is characterized by recognized gaps of key statistical data.** The project focuses on closing the most important data gaps by creating a modern statistical monitoring infrastructure for agricultural production and welfare based on a sequence of surveys. Furthermore, statistical production is improved by thoroughly updating national accounts. Dissemination practices are enhanced by supporting open data access, reviving the micro-data library and advocating for statistics, e.g. by producing analytical outputs utilizing the data.

Subcomponent 2.1: National Account Statistics (US\$6.8 million)

34. **National accounts form the backbone of the NSS.** Currently, national accounts are estimated based on incomplete data, e.g. missing informal sector data and low quality source of information. In addition, in-house technical capacity at INE is limited, often resorting to external consultants to produce statistics. The project will improve INE’s capacity to produce national account statistics and close the main data gaps. The dual approach of building technical capacity and supporting data collection will contribute toward a sustainable improvement in the quality of national accounts. The establishment of a welfare and agricultural production monitoring system will provide updated welfare and new agricultural production data to improve national account statistics (see Subcomponents 2.2 and 2.3). In addition, the project will support an improvement and the maintenance of a business registry, a business survey to recalibrate the production price index, an informal sector survey, and compilation of export and import price indexes. Improving the quality and facilitating better access to administrative data will complement these activities. Those activities as well as other relevant data collection activities like the establishment and construction surveys will also support the production of quarterly GDP estimates.

Subcomponent 2.2: Welfare Monitoring System (US\$24 million)

35. **Modern statistical systems are expected to update poverty numbers every three years.** In Angola, the most recent poverty estimates are derived from data collected in 2008–09. The project will support the setup of a welfare monitoring infrastructure by establishing a flexible, continuous survey system. The survey system will include two major household budget surveys in the first and fourth years of the project to produce updated poverty numbers every three years. In the two intermediate years, a follow-up survey will be conducted to update labor statistics and to infer poverty based on household characteristics. INE will make freely available the anonymized datasets in their micro-data library. INE will also publish the statistical analysis of the data, with gender- and geographical-specific statistics for key indicators.

Subcomponent 2.3: Agricultural Production Monitoring System (US\$25 million)

36. **Despite the importance of the agricultural sector, accurate statistics for agricultural production in Angola are nonexistent.** Since independence, no nationally representative agricultural survey has been conducted. To close this data gap in a sustainable way, the project will support the setup of an agricultural production monitoring system. The main objective of the monitoring system is the provision of high-quality data to allow analysis and formulation of evidence-based policies and programs for the agricultural sector. In particular, the system aims to improve the understanding of the rural agricultural sector, including subsistence and smallholder farmers as well as commercial farmers. The system will allow the analysis of key constraints to

agricultural growth and derive policies to overcome those. The Ministry of Agriculture will be closely involved in the design of the monitoring system to align with in-country systems and ensure complementarity with existing routine data collection efforts and available administrative data.

37. **The agricultural production monitoring system will be initiated by an agricultural census (RAP) conducted in the first year of the project.** The census will include a structural survey with a sample of household farmers using the data from the Population Census 2014 as a sampling frame. Commercial farmers (about 8,000) as well as communes (618) will be completely enumerated. This system of surveys is already under preparation, with fieldwork planned to start quickly after project approval. Based on the generated data, follow-up sample surveys will be used to monitor agricultural production annually and provide more detailed data on selected subsectors like horticulture, forestry, or fishery. INE will make freely available the anonymized datasets in their micro-data library. INE will coordinate activities in this subcomponent closely with the Ministry of Agriculture and the FAO, which will provide the institutional assurance for the quality of the results.

Subcomponent 2.4: Analysis and Dissemination (US\$0.5 million)

38. **Open access to anonymized data contributes to transparency, supports evidence-based policy analysis, and also creates user demand for high-quality statistics.** In turn, this helps statistics producers justify government budget allocations to sustain a modern statistical system. Therefore, the project will support the development of data access and information policies, a revival of the existing micro-data library, and more generally advocacy for statistics to strengthen user demand.

39. **Policy relevance of data is created by providing insightful analysis in the form of policy notes.** This activity will support the continuation of the Annual Yearbook, which INE produces annually in partnership with other ministries. In addition, this activity will provide deeper analysis in the form of a policy note for each of the monitoring systems. Led by the relevant ministry, the welfare data will be analyzed and a policy note authored on poverty in Angola. The Ministry of Agriculture will lead an analysis of food security using data from the agricultural surveys. Both policy notes will be showcased to the public to draw attention to the availability of high-quality data.

Component 3: Project Management (US\$2 million)

40. **Project planning and management will be supported by the provision of technical advisory services, training, operation costs, and the acquisition of goods.** Successful implementation of the project requires a dedicated Project Implementation Unit (PIU) staffed with a project coordinator as well as specialists in financial management (FM), procurement, ICT, HR, and monitoring and evaluation (M&E). This project component will provide funding for those functions and their implementation. The unit will be supported by international consultants, if needed, with a focus on building the capacity of the unit over the initial phase of the project.

B. Project Financing

41. **The project will be financed through an IBRD loan of US\$62 million using an Investment Project Financing instrument.** World Bank support is planned for five years from 2016 to 2021. As part of the project loan, preparatory project activities are funded by a project preparation advance (PPA) of US\$3.5 million. Preparatory project activities for total costs of up to US\$12.4 million incurred after May 1, 2016, can be retroactively financed by the PPA and/or the project loan when it becomes effective. Only costs directly related to project activities as described in this document and procured in compliance with the project procurement and FM guidelines are eligible.

C. Project Cost and Financing

Project Components	Project Cost	IBRD	% Financing
1. Institutional Reform and Capacity	3,500,000	3,500,000	5.7
1.1 Institutional Reform	500,000	500,000	14.3
1.2 ICT and Statistical Infrastructure	1,000,000	1,000,000	28.6
1.3 Human Capacity	2,000,000	2,000,000	57.1
2. Data Production and Dissemination	56,345,000	56,345,000	91.1
2.1 National Account Statistics	6,845,000	6,845,000	12.1
2.2 Welfare Monitoring System	24,000,000	24,000,000	42.6
2.3 Agricultural Production Monitoring System	25,000,000	25,000,000	44.4
2.4 Analysis and Dissemination	500,000	500,000	0.9
3. Project Management	2,000,000	2,000,000	3.2
Total Costs	61,845,000	61,845,000	100.0
Total Project Costs	61,845,000		
Front-End Fees	155,000		
Total Financing Required	62,000,000		

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

42. **INE will be responsible to implement the project.** INE as the official provider of statistics in Angola is the main beneficiary of the project. Therefore, INE is the implementing agency for the project to ensure ownership as well as an efficient project implementation and on-the-job capacity building for project management. INE's capacity to implement the project and to report on the flow of funds will be strengthened by the reform of the institutional framework and augmented by external specialists. The World Bank will provide intensive implementation support to guide INE.

43. **A Project Steering Committee (PSC) will oversee the integrated PIU, which will be supported by a Project Assurance Team (PAT).** The PSC will be headed by the director general of INE and include members from the senior management of INE. The PSC will discuss and decide on project progress and approve the annual work plan (AWP) as well as annual report. The integrated PIU will be staffed by INE and supported by consultants. The PIU will be

headed by one of INE's heads of division (senior technician) appointed to be a full-time project coordinator. The project coordinator will report directly to the director general of INE. The project coordinator will be responsible for coordinating all project activities, preparing the AWP and annual report, leading the PIU team, ensuring timely submission of required reports, organizing project audits, preparing supervision missions, and meetings of the PSC. The PAT will monitor progress of the project at the technical level and support the project coordinator, who heads the PAT. The PAT will include the M&E specialist and the responsible persons for each of the subcomponents of the project. The PAT will periodically provide written updates to the PSC of ongoing and planned project activities based on the AWP and Results Framework.

B. Results Monitoring and Evaluation

44. **A Results Framework will support monitoring and evaluation of progress.** A core set of PDO-level indicators and intermediate indicators with baselines, milestones, and targets has been agreed. The Results Framework and a detailed explanation of indicators are provided in Annex 1.

45. **An AWP and an annual report will monitor and report on project progress.** The AWP will include a detailed list of activities for each subcomponent, including their implementation schedule as well as planned, estimated, and actual costs and intermediate and final outputs. The AWP must be approved before the start of a project year by the director general of INE with the no objection of the World Bank task team leader. The annual report will document progress of the project at the activity level. It will include progress toward meeting the agreed targets for each indicator of the Results Framework accompanied by an explanation. The PIU must submit the annual report approved by the director general of INE to the World Bank within 60 days of the end of a project year. The PIU will provide additional updates on the status of activities and indicators as requested and necessary.

C. Sustainability

46. **The Government and especially INE have strong ownership of the project and of its planned activities.** The project was designed based on the NSDS developed by INE and in close consultations with the GoA, in particular INE. The GoA has demonstrated strong leadership and ownership of the project by identifying statistics as a key priority sector in the country's medium-term development and by developing and adopting a comprehensive and integrated strategy for the statistics sector as a whole. Multiple stakeholders from inside and outside the Government have been consulted in the design phase of the project, and INE has chaired many of these discussions that resulted in the agreed project design. The PIU integrated with INE will naturally continue INE's leadership and ownership for statistics in Angola.

47. **The long-term sustainability of these efforts depends on a continued flow of resources to the statistics sector.** The project contributes funding to the statistics sector in a context of fiscal austerity due to the drop in oil prices. The project aims to provide a solid statistical infrastructure that can be maintained with limited resources after project closure. The project will further contribute to sustainability by creating user demand for statistics in Angola within and outside the Government. The increased user demand will help justify additional funding from the Government and DPs to sustain funding of statistics beyond the end of the

project.

V. KEY RISKS

Overall Risk Rating and Explanation of Key Risks

48. **The overall project risk is rated Substantial.** As discussed in more detail in the following paragraphs, the macroeconomic as well as political and governance risks are rated Moderate based on an assessment of the impact of the recent oil price drop on the project. Sector strategies and policies are also rated Moderate because of the delay in approving the required statistical legislation. The risk with respect to institutional capacity for implementation and sustainability is rated Substantial given the limited capacity at INE generally and the limited experience in handling World Bank projects specifically. Finally, the fiduciary risk is rated Substantial.

49. **The project is subject to moderate political and governance as well as macroeconomic risks.** The moderate rating of macroeconomic risk results from the fact that the activities presented in this project will be fully financed by the World Bank loan and thus will not be dependent on government co-funding. However, the Government's fiscal situation may affect INE's workforce and, hence, project implementation. The oil price drop also led to a strong devaluation of the exchange rate and created a spread between the parallel market and the official exchange rate. The project budget can be affected by an increased spread if inflation is driven by the parallel rate while project funds are exchanged at the official rate. Finally, deteriorating purchasing power of local currency can disgruntle local staff if salaries are not adjusted, leading to lower motivation and higher staff turnover. These risks are deemed to have a low probability to materialize but the World Bank will monitor them carefully as part of regular supervision and address them with the authorities as needed.

50. **The risk for sector strategies and policies is rated Moderate.** The project is closely aligned with sector policies as well as with the strategy of the Government. However, the Government's strategy does not necessarily translate into implementation as observed by the delay of the transfer of funds from the Ministry of Finance to INE to finalize the Population Census 2014. Also, the risk from uncertain efforts to decentralize and deconcentrate the statistical system as suggested by the NSDS is included in the rating. Those specific risks for the project are limited given the focus of the project on national surveys implemented at the central level. The broader risk for sector strategies and policies is mitigated by supporting INE with technical assistance to create an enabling and sustainable legal and regulatory framework for statistics, e.g. by the approval of the organic statute and the statistics regulation.

51. **The project identifies a substantial risk regarding institutional capacity for implementation and sustainability.** INE's limited implementation capacity is aggravated by limited experience in the management of World Bank projects. Therefore, the project management component includes funds to ensure that the head of the PIU has sufficient support to manage the project successfully. Uncertain sustainability of the project results after project closure also contributes to this rating. This is augmented by an uncertain fiscal situation at the end of the project. The risk is mitigated by project activities to strengthen user demand for statistics in Angola to support requests for government funding for statistics.

52. **The fiduciary risk is rated Substantial.** The FM and procurement assessment revealed limited capacity and little prior experience in managing World Bank funds. These risks can be mitigated by an early recruitment of a qualified and experienced project FMS and procurement specialist in the project preparation phase. Furthermore, the risk will be mitigated by the preparation of the Financial Procedures Manual (FPM) and simplified guidelines for provinces, purchase, and installation of automated accounting software; hiring of internal auditors to verify project expenditures at provincial and local levels; and proposal of remedial actions for any irregularities to be observed at provincial and local levels.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

53. **The project will strengthen the capacity of the country's NSS.** The national accounts will be produced and published on time, cover a larger part of the economy, and be disseminated quarterly. This will improve monitoring of macro-economic indicators leading to more timely and evidence-based policies. The welfare and agricultural surveys will close major data gaps. In this process, the technical capacity of the NSS will be improved. The welfare surveys will lead to better informed assessments of the socioeconomic situation in the country and help to design better policies. The agricultural surveys will provide the evidence base to develop programs and policies for the agricultural sector to diversify the economy, ultimately encouraging private investments in the economy. Furthermore, the project will contribute to an effective M&E system of past development policies. The project activities will also provide scope to improve these policies based on evidence. Furthermore, the dependence of the NSS on technical assistance from external consultants will be reduced by building internal capacity, particularly at INE.

54. **Provision of statistical data is a public good typically financed by the public sector.** This project involves a relatively large amount of funds. The private sector could take the lead in financing this project if it could directly benefit from its implementation and recover the funds invested. However, this is not possible given the public good nature of statistics. Furthermore, users of the output of this project include not only the private sector, but also the civil society, DPs, the Government, and the community at large. The project will benefit economic agents that are not directly related to its implementation. Therefore, the public sector, an entity that has the mandate to satisfy the needs of society to improve its living standard, is the agent indicated to finance the implementation of this project.

55. **The World Bank's funding capacity and convening power will make a difference to the implementation of the project.** The NSS does not have staff with the technical expertise to implement the project without support. The country will benefit from the World Bank which can use its global presence to bring together solutions to local and regional problems. The World Bank sustains and will expand its network of partnerships to address global development issues, including the need to improve the functioning of the NSS. By supporting this project, the World Bank also helps by using its convening power to bring in other DPs to help support the Government. For instance, the FAO will support the design and implementation of the agricultural production monitoring system. The World Bank's support of data collection activity and usage of the data also by other World Bank operations in Angola will help strengthen user

demand for statistics produced by INE.

56. The World Bank's international experience and knowledge base will improve the outputs of the project. The World Bank is a leading source for knowledge and analysis of development issues. It provides countries with a range of knowledge service products to support the country's specific development needs and to help build capacity. These knowledge service products include production, analysis, and dissemination of statistics as well as statistical standards, methodologies, and trainings. The World Bank's involvement will allow Angola to benefit from the considerable experience within the World Bank for such project activities across many countries. It will ensure that Angola has access to up-to-date knowledge on best practices and help utilize approaches that minimize costs for given outputs, taking into account specific country conditions.

57. The capacity of the country's NSS will remain limited without this project. The Government as well as DPs are vocal about their appetite for high-quality and timely statistics. However, there is currently no indication that DPs will fund large surveys for welfare and agriculture, mainly due to the expectation that the World Bank has a comparative advantage in supporting national statistics. At the same time, the Government is fiscally constrained. Thus, major data gaps will persist, in particular with respect to national accounts, poverty, shared prosperity, employment, and agricultural data. In the unlikely case that the country will manage to implement these surveys without World Bank support, data quality may be low, particularly in the case of the welfare and agricultural surveys. Also, capacity within INE will remain limited with large dependence on the expertise of hired external consultants and its implications for quality control.

B. Technical

58. The technical design of the project is derived from needs, consultations, and international best practices. The technical design of the project is based on a careful study of the objectives, gaps, and needs outlined in the NSDS and intensive consultations with staff and management of INE and other statistics producers as well as the main users of statistics including the Government, DPs, and other stakeholders. The design of the project is in line with international best practice as recommended by the Partnership in Statistics for Development in 21st Century, an initiative that aims to promote the better use and production of statistics throughout the developing world. The overall project design is similar to many other statistical capacity building projects financed by the World Bank since 2004.

59. All components and activities of the project will contribute to the achievement of the project objectives. INE has appointed a project team and key technical staff who will be responsible for individual components and the main activities. The core World Bank team (task team leader, FMS, and procurement specialist) has been augmented with staff and consultants who can lead the dialogue on components of particular importance. Full implementation of project activities will result in a stronger, better coordinated, and more responsive statistical system with a broader and deeper suite of statistical products and services.

C. Financial Management

60. **INE will have overall responsibility for implementation of the project, with its PIU carrying fiduciary responsibility for the operation.** Two INE finance staff will be trained to implement the required FM arrangements. They will be supported by a project FMS hired by the project. The project FMS will be recruited before the project effectiveness and the two INE finance staff will be deployed to the PIU within three months after project effectiveness. The project funds, expenditures, and resources will be accounted for using the computerized accounting software to be purchased and installed within four months after the effective date and the basis of accounting will be financial reporting under cash basis. The proposed project will make use of advances and direct payment methods for disbursements. However, special commitments and reimbursement will also be available for the project.

61. **Quarterly reports and support from external auditors will ensure adequacy of internal processes and controls.** Internal auditors (from a private audit firm) will be appointed within four months after project effectiveness. The auditors will advise on the adequacy of the project system of internal controls at central and provincial levels and offer consulting help to improve those systems and processes where necessary. INE will prepare quarterly interim unaudited financial reports (IUFRRs) and provide such reports to the World Bank within 45 days of the end of each calendar quarter. The project financial statements will be audited annually by the independent auditor in accordance with International Standards on Auditing, as promulgated by the International Federation of Accountants. The overall conclusion of the FM assessment is that the project's FM arrangements have an overall residual FM risk rating of Substantial.

62. **The project's FM arrangements have an overall residual FM risk rating of Substantial.** The residual risk is rated Substantial due to some FM shortcomings that need to be addressed to ensure that an acceptable project control environment is maintained throughout its implementation. Therefore, INE will take appropriate actions to ensure that the agreed FM action plan is satisfactorily implemented within the established deadlines as stipulated above and in annex 3.

D. Procurement

63. **INE's limited experience of procurement with World Bank funds will be mitigated by substantial project procurement support.** The procurement assessment revealed that INE has limited to no experience with the World Bank's and other international financing institutions' procurement requirements. INE will address the noted capacity gaps by designating dedicated procurement staff to the PIU. The procurement staff will be trained in the World Bank's fiduciary requirements during project preparation using project funds. In addition, INE will secure the experience of a technical assistance consultant with relevant experience in World Bank-funded procurement to help ensure compliance with the requirements, while at the same time building INE's capacity and systems. The World Bank's procurement team will provide hands-on support to INE, as required.

E. Social (including Safeguards)

64. **No social safeguards policies are triggered by this project.** The project does not

involve land acquisition leading to economic or physical displacement and, while the data gathering may include information about indigenous groups, the project is not financing activities that affect Indigenous Peoples. In addition to INE, the NSS also consists of users, financiers, and a host of official data producers from across the Government. The success of the statistical service depends on the use of data in decision making in Angola. Evidence-based decision making is expanding in Angola, but will become more prominent as more and better data become available. The project will aim to work with key facilitators to increase the demand and use of data. These include academics. Close collaboration with public universities has been planned not only to attach graduate students to INE, but also to support university researchers in accessing and analyzing socioeconomic data. The fieldwork will involve relevant government agencies and local authorities. Should there be a need to obtain data from individual households, the project will include substantive consultations with communities to ensure they are informed about the purposes of the data gathering.

F. Environment (including Safeguards)

65. **Environmental safeguards.** Safeguard responsibilities are transferred to the practice manager as no environmental safeguards are triggered.

G. World Bank Grievance Redress

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

Annex 1: Results Framework and Monitoring

Country: Angola

Project Name: Angola Statistics Project (P157671)

Results Framework

Project Development Objectives

PDO Statement

The PDO is to strengthen the capacity of INE to fill data gaps, improve statistical production, and enhance statistical dissemination practices.

These results are at Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
Increase in the Statistical Capacity Index (SCI) score (Number)	47.80	47.80	50.00	52.00	54.00	57.00	60.00
Number of agriculture, welfare, employment, and business surveys or censuses implemented (Number)	9	10	12	14	16	18	21
Improved national accounts (Percentage)	0	0	0	20	40	60	100
Number of views or downloads of statistical materials and micro-datasets (Number: Thousands)	73.22	80.00	90.00	105.00	120.00	135.00	150.00

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
The number of staff who have achieved improvements in skill/knowledge compared to a pre-training baseline (measured by test results and disaggregated by gender) (Number)	0	50	150	300	450	600	750
Number of statistical reports funded by the project available online, disaggregated by availability of gendered statistics (Number)	0	0	1	2	3	4	6
Number of published quarterly GDP statistics (Number)	0	0	0	0	2	6	10
Number of survey and census micro-datasets available online (Number)	9	9	10	12	14	16	21

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Increase in the Statistical Capacity Index (SCI) score	The World Bank's SCI 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 SCI score is then calculated as a simple average of all three area scores on a scale of 0 to 100.	Annual	datatopics.worldbank.org/ statistical capacity/	World Bank
Number of agriculture, welfare, employment, and business surveys or censuses implemented	No description provided	Semiannual	INE	INE
Improved national accounts	Measured by coverage of the informal sector (20%), updated and published description of sources and methods (20%), updated CPI basket (20%), updated export and import price indexes (20%), and estimation of quarterly GDP in current and constant prices (20%)	Annual	INE	INE
Number of views or downloads of statistical materials and micro-datasets	Counting all views and downloads for micro-datasets as reported by the micro-data library	Annual	andine.ine.gov.ao	INE

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
The number of staff who have achieved improvements in skill/knowledge compared to a pre-training baseline (measured by test results and disaggregated by gender)	A test will be administered to all training participants before and after the training. The indicator measures the number of participants who achieve a higher score in the test administered after the training compared to the test before the training.	Semiannual	INE	INE

Number of statistical reports funded by the project available online, disaggregated by availability of gendered statistics	No description provided	Semiannual	www.ine.gov.ao	INE
Number of published quarterly GDP statistics	No description provided	Semiannual	www.ine.gov.ao	INE
Number of survey and census micro-datasets available online	No description provided	Semiannual	andine.ine.gov.ao	INE

Annex 2: Detailed Project Description

ANGOLA: Statistics Project

1. **The project will be structured into three components: (1) Institutional Reform and Capacity, (2) Data Production and Dissemination, and (3) Project Management.** The following exposition focuses on the main activities for each component, including a more in-depth description of the data production activities.

Component 1: Institutional Reform and Capacity

2. **The first component will transform INE to become a modern provider of statistics.** The transformation will include institutional reform to improve INE's functional organization and political autonomy, improvement of ICT and statistical infrastructure to create a more effective institution, and enhanced human capacity for an improvement of the quality of statistics.

Subcomponent 1.1: Institutional Reform

3. **An institutional assessment will provide the foundation for institutional reform.** The institutional assessment will include an analysis of the organigram as well as a functional review. It will analyze and propose interventions with respect to the leadership and management of INE, the current business processes including their limitations and opportunities, and the alignment of the organizational structure with function. The results of the assessment will feed into a change strategy for INE, complementing the organic statute and statistics regulations, both pending approval by the Council of Ministers.

4. **The institutional change management will be accompanied by an HR review.** The review will assign skill sets to functional positions of the organigram. The skill sets will be used to draft job descriptions to assess the alignment of existing capacity with required capacity at INE. The assessment will feed into the training needs assessment as well as a HR strategy to reform INE's workforce.

5. **The relevance and adequacy of the existing laws and regulations will be reviewed.** The NSS is mandated in Law 3/11 from January 14, 2011. Since 2011, the context of the law has changed as have the challenges faced by the NSS. Therefore, a review of the existing laws and regulations will be undertaken to inform decision makers of the relevance and adequacy of the current legal framework. The review will include an assessment of the advantages and disadvantages of the current as well as alternative supervisory entities of INE with respect to management and decision-making processes, transparency, communication, budget planning, and budget execution as well as institutional autonomy.

6. **Coordination of statistical activities in the country is important to avoid redundancies and create synergies by complementary activities.** The project will support a forum for statistical coordination among government institutions and DPs. The semiannual forum will provide a platform to discuss ongoing and planned activities related to statistics. The minutes of the meetings will be made public to ensure transparency and avoid redundancies of statistical activities.

Main activities

- 1.1.1 Institutional assessment, analysis of organigram and function, as well as HR review
- 1.1.2 HR and job description review
- 1.1.3 Review of existing laws and regulations
- 1.1.4 Statistical coordination meetings

Subcomponent 1.2: ICT and Statistical Infrastructure

7. **A modern statistical producer requires the technical setup to process and disseminate data.** Based on an ICT assessment, the project will fund an upgrade of the ICT infrastructure to ensure efficient workflows for data collection, processing and analysis, data archiving, data dissemination including the micro-data library as well as modern Geographical Information System processing, storage, and dissemination.

8. **An important element of an effective statistical system is the definition of standards, concepts, and definitions to ensure comparability of country statistics.** The project will support a review of the national statistical compendium. This will ensure that the definitions are comprehensive and up-to-date and, henceforth, support INE in its role as a guarantor of official statistics and simplify the approval of statistics from sources other than INE.

Main activities

- 1.2.1 ICT needs assessment
- 1.2.2 Upgrade of ICT infrastructure as identified in the needs assessment
- 1.2.3 Review of national statistical compendium

Subcomponent 1.3: Human Capacity

9. **High-quality statistics require a skilled workforce.** The institutional reform and HR review will make recommendations about required skill sets for a modern provider of official statistics. A training needs assessment will be conducted to ensure that (a) INE's workforce can meet required skills; and (b) contribute to an engaged workforce by creating opportunities for career development.

10. **Based on a training needs assessment, the project will identify key trainings for INE's workforce.** Trainings will include on-the-job-trainings with shadow assignments, workshops, short-term courses, certifications, and twinning arrangements with statistical offices in other Portuguese-speaking countries. Given the currently limited availability of such trainings in Angola, the project will also use statistical schools in related countries like Brazil.

11. **Implementation of adapted standardized statistical classes will contribute to the local infrastructure for statistical capacity building.** The National School for Social Statistics (Escola Nacional de Ciências Estatísticas) of the Statistics Office of Brazil (Instituto Brasileiro de Geografia e Estatística) has successfully adapted classes for the accreditation of statisticians used by the Statistical Society of Canada. These reputable classes will be further adapted to the context of Angola and implemented as part of the project. This will help local providers of statistical classes adhere to a high-quality standard and create statistical capacity.

12. **Domestic universities will be supported in designing relevant statistics curricula to anchor certified statistical learning in Angola's universities.** Based on the adapted standardized statistical classes, statistical curricula will be drafted in close consultations with selected universities in Angola. The objective is to ensure a sustainable statistical learning infrastructure in Angola to provide a qualified workforce for INE and other statistical providers and users.

Main activities

- 1.3.1 Training needs assessment
- 1.3.2 Implementation of the training needs
- 1.3.3 Adaption and implementation of standardized statistical classes
- 1.3.4 Revision of statistical curriculum for universities in Angola

Component 2: Data Production and Dissemination

13. **Angola's statistical landscape is characterized by recognized gaps of key statistical data.** The project focuses on closing the most important data gaps and creating a modern statistical monitoring infrastructure for national accounts, agricultural production, and welfare paired with open access data policies.

Subcomponent 2.1: National Account Statistics

14. **The national accounts form the backbone of the NSS.** Currently, national accounts are estimated based on incomplete data such as missing informal sector data and retail statistics limited to Luanda. In addition, in-house technical capacity at INE is limited, often resorting to external consultants to produce statistics. The project will improve INE's capacity to produce national account statistics and close the main data gaps.

15. **The project will help close the main data gaps for improved national accounts.** The project will support an improvement and the maintenance of a business registry (Ficheiro de Unidades Estatísticas), a business survey (Recenseamento de Empresas e Estabelecimentos) to recalibrate the production price index, an informal sector survey, and compilation of export and import price indexes. These activities will be complemented by improving the quality and facilitating better access to administrative data. The production of quarterly GDP estimates will be supported by those activities as well as other relevant data collection activities like establishment and construction surveys.

16. **The project will provide technical assistance to migrate national accounts to SNA 2008 and prepare a change of the base year.** The adoption of SNA 2008 will provide users updated GDP measures incorporating the conceptual and methodological changes required for SNA 2008. It will bring the presentation of the Angolan national accounts in line with current international practice. International guidelines recommend changing the base period about every five years, on the assumption that stability in relative prices is not likely to be maintained for longer periods. The project will support INE in preparing a change in the base year.

Main activities

- 2.1.1 Improvement and maintenance of a business registry
- 2.1.2 Business survey including establishments and the construction sector
- 2.1.3 Informal sector survey
- 2.1.4 Compilation of export and import prices
- 2.1.5 Production of quarterly GDP estimates
- 2.1.6 Upgrade of national accounts to SNA 2008
- 2.1.7 Technical preparations for a change of the base year of the national accounts

Subcomponent 2.2: Welfare Monitoring System

17. **Modern statistical systems are expected to update poverty numbers every three years.** In Angola, the most recent poverty estimates are derived from data collected in 2008–09. The project will support the setup of a welfare monitoring infrastructure by establishing a flexible continuous survey system delivering poverty numbers every three years.

18. **The welfare monitoring system will consist of two household budget and two employment surveys.** The household budget surveys will be implemented in the first and fourth year of the project to produce updated poverty numbers every three years. In the two intermediate years, the employment surveys will be conducted to update labor statistics and to infer poverty based on household characteristics. The household budget surveys will be used to update the CPI weights. Anonymized datasets will be made freely available in a micro-data library. Statistical analysis of the data will be published in reports with gender-specific statistics for key indicators.

19. **The household budget surveys will interview about 12,500 households over 12 months that are representative at the province and urban/rural level.** The sample will be based on the Population and Housing Census 2014. Seasonality will be captured by stretching fieldwork over 12 months. The surveys will be implemented using Computer Assisted Personal Interview.

20. **The household surveys funded by this project will implement a seven-day recall to measure consumption.** The seven-day recall will be implemented in one to two visits of the

household, thereby compressing fieldwork significantly. In parallel, a household survey based on the diary method will be implemented, but is not part of the project. The parallel diary survey will use the same field logistics as the project-funded survey, with costs up to US\$10 million in total for this activity (2.2.1) covered by the project.

Main activities

- 2.2.1 Household budget survey including employment (IDREA: Inquérito de Despesas, Receitas, e Emprego em Angola) in 2016–17
- 2.2.2 Employment survey in 2018
- 2.2.3 Employment survey in 2019
- 2.2.4 Household budget survey including employment (IDREA: Inquérito de Despesas, Receitas, e Emprego em Angola) in 2020

Subcomponent 2.3: Agricultural Production Monitoring System

21. **The agricultural production monitoring system will be initiated by an agricultural census (RAP: Recenseamento Agro-Pecuário) conducted in the first year of the project.** The main census will be composed of three elements: (a) complete enumeration of the 27,697 villages through a community survey, (b) complete enumeration of the estimated 8,000 large and medium agricultural holdings, and (c) a large sample survey (60,000 to 80,000) of the estimated 2 million small family holdings. The main census data will be representative at the national and provincial levels (18) as well as at the level of the municipalities (162). Furthermore, community-level survey data will be available for all villages. The data will be collected using Computer Assisted Personal Interview with tablets equipped with GPS devices.

22. **The main census will cover crops, animal species, and artisanal fisheries.** Additional information will also be collected from communities such as on geography and agricultural infrastructure (roads, electricity, health facilities and schools, presence of agricultural produce markets and agricultural input suppliers, economic activities in the community, and existence of farmers' organizations), as well as constraints for agricultural development.

23. **Three follow-up surveys will collect data on specific agricultural sectors.** These surveys will be representative at the national and provincial levels. For the first follow-up survey, a sub-sample from the main census will be used to carry out an annual agricultural and livestock production survey the year following the census. More in-depth information on variables related to production and productivity will be collected. The second follow-up survey will be dedicated to horticulture production while the third follow-up survey will be dedicated to fisheries and will be conducted after the horticulture survey.

24. **Anonymized datasets will be made freely available in a micro-data library.** Data collected by the surveys will be made available after appropriate anonymization in INE's micro-data library. The CountrySTAT, a web-based information technology (IT) system for

dissemination of food and agriculture statistics at the national and subnational levels supported by the FAO, will also be considered to facilitate data dissemination. All activities in this subcomponent will be coordinated closely with the Ministry of Agriculture and FAO, which will provide the institutional assurance for the quality of the results.

Main activities

- 2.3.1 Census survey for household farmers, commercial farmers, and communes
- 2.3.2 Specialized survey for agriculture and livestock production
- 2.3.3 Specialized survey for horticulture
- 2.3.4 Specialized survey for fishery

Subcomponent 2.4: Analysis and Dissemination

25. **Open access to anonymized data contributes to transparency, supports evidence-based policy analysis, and also creates user demand for high-quality statistics.** In turn, this helps statistics producers justify government budget allocations to sustain a modern statistical system. Therefore, the project will support the development of data access and information policies, a revival of the existing micro-data library, and, more generally, advocacy for statistics to strengthen user demand.

26. **Policy relevance of data is created by providing insightful analysis in the form of policy notes.** The project will fund the production of a policy note for each of the monitoring systems by the provision of technical assistance. With the lead of the Ministry of Planning, the welfare data will be analyzed and a policy note authored on poverty in Angola. Led by the Ministry of Agriculture, food security will be analyzed using data from the agricultural surveys. Both policy notes will be showcased to the public to draw attention to the availability of high-quality data. In addition, INE will produce an annual statistical yearbook to present new available statistics to the public.

Main activities

- 2.4.1 Development of data access and information policies
- 2.4.2 Welfare policy note
- 2.4.3 Food security policy note
- 2.4.4 Annual statistical yearbooks

Component 3: Project Management

27. **Project planning and management will be supported by the provision of technical advisory services, training, operation costs, and the acquisition of goods.** Successful implementation of the project requires a dedicated PIU staffed with a project coordinator as well as specialists in FM, procurement, ICT, HR, and M&E. This project component will provide funding for those functions and their implementation. The unit will be supported by international consultants, if needed, with a focus on building the capacity of the unit over the initial phase of the project.

Main activities

- 3.1 Project Management
- 3.2 FM and procurement management
- 3.3 M&E
- 3.4 HR management
- 3.5 ICT management

Annex 3: Implementation Arrangements

ANGOLA: Statistics Project

Project Institutional and Implementation Arrangements and Administration Mechanisms

- 1. INE, as the provider of official statistics in Angola, will be the designated implementing agency.** INE has been the lead agency in the development of the NSDS and is in charge of its overall management, reporting, and coordination with partners and stakeholders during the implementation. The project is designed based on the NSDS and includes key NSDS activities to be implemented by the provider of official statistics in Angola. Thus, INE will be responsible for implementation, coordination, and management of the project.
- 2. INE's capacity to implement the project and report on flow of funds will be supported by a suitable institutional framework and augmented by external specialists.** It is INE's responsibility to implement the project and manage the flow of funds from the World Bank to project activities and the reverse flow of financial and progress reports. As this arrangement differs from many other externally financed activities implemented by INE, this is likely to pose special challenges in the beginning of project implementation. Thus, a focused effort will be made to reinforce INE's current project management, financial, and reporting capacity. This will be done by creating a suitable institutional framework for the project implementation, including a PSC, PIU and PAT. Furthermore, the project will recruit FM and procurement experts, who will train INE staff and assist in developing detailed manuals and protocols for the fiduciary functions. The World Bank will provide intensive implementation support to guide INE.
- 3. The PSC will oversee the implementation of the project.** The PSC will be headed by the director general of INE and include senior management members from INE. The adjunct director generals of INE and the project coordinator will be members of the PSC. On a needs basis, the PSC will be extended to include a member of the Ministry of Agriculture, Ministry of Planning and Territorial Development, and Ministry of Finance. The PSC will meet at least twice a year to decide on project progress and approve the AWP and annual report.
- 4. The project will be implemented by an integrated PIU staffed by INE and supported by consultants.** The PIU will be headed by one of INE's heads of division (senior technician), appointed to be a full-time project coordinator. The project coordinator will report directly to the director general of INE. The project coordinator will be responsible for the coordination of all project activities, preparing the AWP and annual report, leading the PIU team, ensuring timely submission of required reports, organizing project audits, and preparing supervision missions and meetings of the PSC. The PIU will have two designated FM officers as well as two designated procurement specialists staffed from within INE. In addition, the project coordinator will be supported by an M&E specialist, HR specialist, ICT specialist, one project coordinator assistant, and an administrative assistant, funded by the project if not staffed internally. Furthermore, FM and procurement of the PIU will be supported by consultants as described in more detail in this annex.

5. **A PAT will monitor progress of the project at the technical level.** The PAT will be headed by the project coordinator and include the M&E as well as the responsible persons for each of the subcomponents of the project: Institutional Reform, ICT and Statistical Infrastructure, Human Capacity, National Account Statistics, Welfare Monitoring System, Agricultural Production Monitoring System, and Analysis and Dissemination. The World Bank task team leader will be available to join meetings on demand. The PAT will meet at least four times a year and provide a written update to the PSC of ongoing and planned project activities based on the AWP and results framework.

Financial Management, Disbursements, and Procurement

Introduction

6. **The FM assessment was carried out in accordance with OP/BP 10.00, Investment Project Financing, and the FM Manual for World Bank Investment Project Financing Operations issued by the FM Sector Board on March 1, 2010, and retrofitted on February 4, 2015.** The objective of this assessment was to determine whether the proposed implementing agency, INE, has acceptable FM arrangements for the implementation of the Angola Statistics Project. The arrangements are considered acceptable if the entity's planning, budgeting, accounting, internal controls, funds flow, financial reporting, and auditing arrangements (a) are capable of correctly and completely recording all transactions and balances relating to the project; (b) facilitate the preparation of regular, timely, and reliable financial statements; (c) safeguard the project's assets; and (d) are subject to auditing arrangements acceptable to the World Bank.

7. **The conclusion of the FM assessment is that the project's FM arrangements have an overall residual FM risk rating of Substantial.** The substantial residual risk will be reduced once identified arrangements (accounting staff and systems, internal control produces, and project external auditors) are in place. Therefore, INE should take appropriate actions to ensure that the agreed FM action plan is satisfactorily implemented on time as stipulated in this document to ensure that an acceptable project control environment is maintained throughout project implementation.

8. **Strengths.** INE has experience in conducting major surveys like the population census. The project will take into account lessons learned from these experiences for the arrangements to be put in place for the implementation of the project activities.

9. **Weaknesses.** The implementing agency, INE, has limited experience in handling the fiduciary matters of World Bank-financed operations. In addition, INE has limited FM capacity at the provincial level, which leads to challenges in monitoring the execution of funds channeled to provinces. The project FM arrangements includes the following measures to mitigate this risk: (a) a qualified and experienced project FMS will be appointed by the project effective date; (b) two INE finance staff will be deployed to the PIU within three months after project effectiveness; (c) a private audit firm will be appointed as project internal auditors; and (d) the project finance staff and internal auditors will provide guidance and coaching to INE provincial staff in managing project funds through regular field visits and on-the-job training.

10. **Budgeting.** The annual project budget will be prepared based on government policy guidelines and regulations. The procedures for preparation of the annual budget will be documented in the FPM to be prepared and finalized within three months after the effective date. The project AWP and Procurement Plan (PP) will provide relevant information for preparation of annual budgets.

11. **Staffing.** The PIU, to be established within INE, will be responsible for fiduciary aspects of the project. The project FM capacity will be built by an experienced and qualified FMS to be recruited before the effectiveness date and two INE finance staff to be deployed to the PIU within three months after the effectiveness date. The overall responsibility of project FM matters will rest with the project FMS reporting to the project coordinator. The recruitment of a project FMS will be a condition of effectiveness of this operation. At the provincial level, the head of delegation, with support from an administrative staff, will be in charge of managing the project funds. The provincial INE staff handling the project funds will benefit from a training for management of project funds immediately after project effectiveness. The project finance staff and internal auditors will be required to regularly visit the provinces to provide guidance and coaching in FM.

12. **Accounting.** The implementing agency will account for all project funds, expenditures, and resources using a computerized accounting software and the basis of accounting will be financial reporting under cash basis. The computerized accounting package will be purchased and installed within four months after the effectiveness date. Throughout project implementation the implementing agency should maintain a sound computerized accounting software that enables key controls, records project transactions correctly, and is capable of producing timely and reliable financial information. The provinces will maintain the first level of bookkeeping using Microsoft Excel spreadsheets and then consolidate them at the central level using a computerized accounting package.

13. **Internal control.** The inspectorate general of finance, based at the Ministry of Finance, is responsible for the internal audit functions across the entire government. However, the inspectorate general of finance has limited capacity, and therefore, the project may not benefit from its review of this operation. Hence, project internal auditors (a private audit firm) will be recruited to help INE management accomplish project objectives. The project's internal auditors will advise on the adequacy of project systems of internal controls at the central and provincial levels. They will also offer help to improve those systems and processes where necessary. The project's internal auditors will conduct reviews of the implementation of project activities at the central and provincial levels, including management funds channeled to the provinces to finance eligible expenditures to be incurred at the provincial and municipal levels. The role of the project's internal auditors will also include following up on implementation of appropriate actions to improve effectiveness of risk management, control, and governance processes at all levels and training of INE staff.

14. **Financial Procedures Manual.** The finance and administrative procedures to be employed by the implementing agency will be documented in the FPM to be finalized and adopted no later than three months after effectiveness. This manual will cover at least the following aspects: institutional arrangements, budget and budgetary control, disbursement procedures and banking arrangements, receipt of goods and payment of invoices, internal control

procedures, accounting system and transaction records, reporting requirement, and audit arrangement. The manual will also include guidance for handling project funds at the provincial level as well as annexes with template forms and reports such as asset control forms and registers, budget formats, quarterly reports, and annual financial statements.

15. **Financial reporting.** The implementing agency will be required to submit quarterly IUFs to the World Bank within 45 days after the end of each calendar quarter. These reports should provide the financial information required to monitor and effectively manage the project and its contents should consist of financial reports, including all sources and uses of funds by project components, categories, and activities (comparing budget and actual expenditures). The financial reports will be accompanied by a brief discussion report on the project progress.

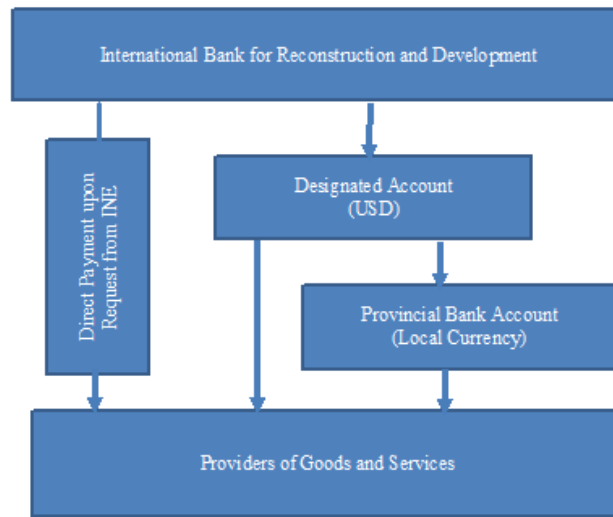
16. **INE will also produce project annual financial statements.** The statements will be in accordance with the International Public Sector Accounting Standard of Financial Reporting Under the Cash Basis of Accounting and will comprise at least (a) a statement of cash receipts and payments which recognizes all cash receipts, cash payments, and cash balances for this project; (b) comparison of budget and actual project expenditures; and (c) the accounting policies adopted and explanatory notes. The explanatory notes should be presented in a systematic manner with items on statement of cash receipts and payments being cross-referenced to any related information in the notes. Examples of this information include a summary of fixed assets by category of assets. The details of presentation and disclosure requirements will be described in the FPM.

Funds Flow and Disbursement Arrangements

17. **INE will establish and maintain a segregated designated account (DA) in U.S. dollars at a commercial bank under terms and conditions acceptable to IBRD.** Funds in the DA will be used to finance the activities of projects in accordance with the Loan Agreement and Disbursement Letter. From the DAs, INE will make payments to providers of goods and services and channel funds to the provinces to support activities to be implemented at the provincial and municipal levels. Each INE provincial delegation (*Serviços Provinciais de Estatística*) will open and maintain a separate bank account in the local currency for deposit of funds transferred from the DA.

18. **Figure 3.1 depicts the funds flow mechanism that will be deployed for the project.**

Figure 3.1. Funds Flow



19. **Disbursement of IBRD funds will be done on a transaction basis.** The project will have the option to move to report-based disbursement once the FM system and the project's forecasting capacity have been assessed as satisfactory for that procedure of disbursement. Once the report-based disbursement procedure is used, quarterly IUFRRs will be acceptable as the basis for supporting documents for application of withdrawal.

20. **At the inception of the project, an advance will be made into the DA to be maintained by INE.** The advance will be used for eligible project expenditures financed by IBRD, in sufficient amount to execute project activities. The option of disbursing the funds through direct payments from IBRD for payments above the threshold indicated in the Disbursement Letter will be available. Withdrawal applications for such payments will be accompanied by relevant supporting documents such as copies of the contract, contractors' invoices, and appropriate certifications. Options for use of special commitments and reimbursements will also be available.

21. **The Disbursement Handbook for World Bank Clients issued in May 2006 provides guidance on the disbursement arrangement for financing provided or administered by the World Bank.** The World Bank will issue the Disbursement Letter that will specify additional instructions for withdrawal of the proceeds of the credit.

Payment of Expenditures Related to Agricultural, Business, and Welfare Household Surveys

22. **Parts of the planned agricultural, business, and welfare surveys will be undertaken at the provincial and municipal levels.** The funds that will finance those activities are more than 50 percent of the total budget of corresponding activities (Subcomponents 2.1, 2.2, and 2.3). Therefore, appropriate arrangements must be in place to ensure that the funds channeled to the provincial INE delegations are used for the intended purpose. To facilitate the implementation of the project activities at the provincial and municipal levels, INE will open and maintain separate bank accounts in the local currency for deposit of funds transferred from the DA. Funds in the bank accounts at the provincial level will be used for payments of per diems, fuel, and

communications. Salaries of enumerators for those surveys will be paid directly from the PIU at the central level to the bank accounts of the beneficiaries. Regarding the maintenance of vehicles, INE will contract one or two service providers for the service and maintenance of vehicles at the provincial level, where invoices will be submitted to the PIU at the central level for payments. Payments for training of enumerators will also be made at the central level by the PIU.

23. **For management of funds at the provincial level, simplified guidelines will be outlined as part of preparation of the FPM.** The manual will provide guidance to INE's provincial staff who will handle project funds in terms of management of provincial bank accounts, uses of funds, key internal procedures for payments of eligible project expenditures, and preparation and submission of reports to the central level. In addition, provincial INE staff who will manage project funds should be trained within three months after the project effectiveness date. The management of funds at the provincial level will be reviewed by the project's internal auditors.

Auditing

24. **The project will be audited annually by independent auditors acceptable to the World Bank.** The project financial statements will be audited in accordance with International Standards on Auditing as promulgated by the International Federation of Accountants and the audit report together with the Management Letter will be submitted to IBRD within six months after the financial year-end, that is, June 30 of each following year. The scope of the work of the auditors will include INE's provincial delegations using a risk-based approach. The costs incurred for the audit will be financed under the project. The auditors will be required to express a single opinion on the project's financial statements. In addition, a detailed Management Letter containing the auditors' assessment of the internal controls, accounting system and compliance with financial covenants in the Loan Agreement, suggestions for improvement, and management's response to the auditors' Management Letter will be prepared and submitted to management for follow-up actions. The arrangements for the appointment of the external auditors of the project financial statements will be communicated to IBRD through agreed terms of reference (ToR). The audit ToR will be included in the FPM as an annex.

Conditionalities

25. **Effectiveness condition.** Appointment of an experienced project FMS under terms and conditions acceptable to the World Bank is a condition for effectiveness.

26. **Dated covenants.** Deployment of two INE finance staff and the preparation and adoption of the FPM, including simplified guidelines for the provinces, should be undertaken within three months after the project effectiveness date. Purchase and installation of computerized accounting software and appointment of internal and external auditors should be finalized within four months after the project effectiveness date.

Financial Management Action Plan

27. **Action Plan.** To establish an acceptable control environment and to mitigate FM risks, the following measures should be taken by the due dates indicated in the FM action plan in table 3.1.

Table 3.1. FM Action Plan

No.	Action	Responsibility	Completion date
1	Appointment of qualified and experienced project FMS	INE	Effectiveness
2	Appointment/deployment of two project accountants to the PIU	INE	No later than three months after effectiveness
3	Prepare and adopt project FM procedures manual acceptable in form and substance to the World Bank	INE	Within three months after effectiveness
4	Training of INE staff who will handle project funds at the provincial level	INE/World Bank	Within three months after effectiveness
5	Purchase and install computerized accounting software for the project	INE	Within four months after effectiveness
6	Appointment of the project internal and external auditors	INE	Not later than four months after effectiveness

Supervision Plan

28. **The project will be supervised on a risk-based approach.** The FM supervision will be carried out by the World Bank FMS. Supervision will focus on the status of FM system to verify whether INE continues to maintain acceptable project FM arrangements and provide support where needed. It will include a review of quarterly progress reports and audit reports and follow-up on material accountability issues by engaging with the task team leader, client, and/or auditors. Based on the current substantial risk assessment, a field supervision visit will be conducted twice during the fiscal year and adjusted when the need arises.

FM Risk Assessment and Mitigation

29. **The World 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 appropriately used is an important part of the FM assessment work. The risk features two elements: (a) the risk associated with the project as a whole (inherent risk) and (b) the risk linked to a weak control environment with regard to the project implementation (control risk). The content of these risks is described in table 3.2.

Table 3.2: FM Risk Assessment and Mitigation.

Risk Factors/Description of Risk	Risk Rating	Risk Mitigating Measures Incorporated into the Project Design	Conditions of Effectiveness (Yes or No)	Residual Risk Rating
Inherent Risk				
Country level. Progress has been made in reform of the country’s PFM over the years; however, these	High	The GoA is committed to continue with implementation of PFM reform to improve the control environment of the country national systems. The	No	High

reform efforts are yet to address weaknesses in the budget execution, internal controls, capacity development, and general oversight.		Public Expenditure Management Financial Accountability Review (PEMFAR) is under way and draft reports acknowledge the commitment by the Government to reform the country's PFMs over the years, and the progress made.		
Entity level. The implementing agency may not be able to meet the FM requirement due to limited experience in handling World Bank-financed operations and weak capacity at the provincial level.	Substantial	A qualified and experienced project FMS will be appointed before project effectiveness and the provincial INE staff who will handle projects funds at this level will be trained within three months after the project effectiveness date.	Yes. Appointment of project FMS is a condition of effectiveness.	Substantial
Project level. The project implementing agency may fail to ensure an acceptable project FM environment, especially at the provincial level.	Substantial	A qualified and experienced project FMS with the support of two accountants will handle FM matters. Project internal auditors will be recruited to help the management ensure that adequate systems of internal control are maintained at the central and provincial levels. In addition, FPM and guidelines will be prepared and adopted by INE for project implementation within three months of project effectiveness.	Yes. Appointment of project FMS is a condition of effectiveness.	Substantial
Control Risk				
Budgeting. Weak budgetary execution and control leading to budgetary overrun or inappropriate use of project funds	Moderate	The FPM will spell out the budgeting and budgetary control arrangements to ensure appropriate budgetary oversight. The IUFR will include comparison of planned and actual project expenditures.	No	Moderate
Accounting: Project funds, expenditures, and resources not properly recorded	Substantial	A qualified and experienced project FMS will be recruited before the project effectiveness date. INE will make use of the computerized accounting package to account for project funds, expenditures, and resources. The accounting software will be purchased and installed four months after project effectiveness.	Yes. Appointment of qualified and experienced FMS is a condition of effectiveness.	Substantial
Internal control. The risk of noncompliance with key internal control procedures due to weak FM capacity, especially at the provincial level	Substantial	Financial and administrative procedures to be used by INE in project implementation will be documented in the FM procedures manual. Project internal auditors will be appointed to help INE management maintain adequate project systems of internal controls within four months of project effectiveness.	No	Substantial

		World Bank regular FM implementation support through desk reviews and field visits will make appropriate recommendations to improve project FM environment.		
Funds flow. Funds will be channeled from the DA to the provinces. There is a risk that project funds may not be used for the intended purposes.	Substantial	Internal control mechanisms for transfer of funds from the DA to provinces will be documented in the FPM and simplified guidelines will be produced and distributed to INE's provincial delegations. The provincial staff who will manage project funds will be trained before transfer of funds to the provinces. The project's internal auditors will check the use of project funds and resources, accounting system, and records at the provincial level.	No	Substantial
Financial reporting. The implementing agency may not be able to produce the financial reports on time as required to monitor and effectively manage the project.	Substantial	Initially, the project will disburse statements of expenditures and quarterly IUFRRs formats and contents that will be part of the FPM.	No	Moderate
Auditing. Delays in submission of audit reports or delays in implementing the recommendations of the Management Letter.	Moderate	An independent external audit firm will be hired by the project to ensure compliance with the audit submission timelines set out in the Loan Agreement. The project's internal auditors will monitor and follow up on implementation of the external auditors recommendations.	No	Moderate
Governance and accountability. Possibility of corrupt practices including bribes, abuse of administrative and political positions, misprocurement and misuse of funds, and so on are critical issues.	Substantial	Robust FM arrangements (including a comprehensive annual audit of project accounts, project internal auditors, World Bank FM supervision including review of transactions and asset verification) designed to mitigate the fiduciary risks in addition to INE's overall internal control systems.	No	Moderate
OVERALL FM RISK	Substantial			Substantial

Procurement

30. **Procurement Guidelines.** Procurement activities for the Angola Statistics Project will be carried out in accordance with the World Bank's 'Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,' dated January 2011, revised July 2014; 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers,' dated January 2011, revised July 2014; and the provisions stipulated in the Financing Agreement for the project. Further, the 'Guidelines on Preventing and Combating Fraud and Corruption in

Projects Financed by IBRD Loans and IDA Credits and Grants,' dated October 15, 2006, and revised in January 2011, will apply.

31. Project procurement implementation will be carried out under an implementation team created within INE, which will include a Coordinator and fiduciary and support staff. The capacity of INE in Bank fiduciary requirements has been assessed during Project preparation and it has been determined that it requires strengthening. INE has agreed to secure the services of a qualified procurement specialist proficient in the World Bank procurement procedures, in addition to designating dedicated procurement staff to the PIU, who will be trained by the consultant to be hired. Nevertheless, based on the noted capacity gaps, the risk to carry our procurement is Substantial. The proposed mitigation measures above will offset the associated procurement risk.

31. **The following project activities are subject to World Bank procurement procedures:**

- (a) **Works.** No works are planned in this project.
- (b) **Goods.** This activity will include procurement of office equipment and supplies, survey related equipment, IT equipment and office furniture.
- (c) **Consultancies.** This category institutional assessment, consultants to support the implementation of the project in the fiduciary are, as well as technical assistant to support the census.

Particular Methods of Procurement of Goods, Works, and Non-consulting Services

32. **International Competitive Bidding (ICB).** Except as otherwise provided in the paragraph below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of ICB.

33. **Other methods of procurement of goods, works, and non-consulting services.** The following methods, other than ICB, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan.

Table 3.3. Procurement Methods

(a) National Competitive Bidding (NCB),
(b) Shopping
(c) Direct Contracting

34. INE will, as part of the Project Implementation Manual, prepare a sample of bidding documents to be used under National Competitive Bidding procedure. These documents will be reviewed and agreed with the World Bank prior to their use and before Project Effectiveness.

35. **Particular methods of procurement of consultants' services.**

- (a) **Quality- and Cost-based Selection (QCBS).** Except as otherwise provided in the next paragraph, consultants' services shall be procured under contracts awarded on the basis of QCBS.

- (b) **Other methods of procurement of consultants’ services.** The following methods, other than QCBS, may be used for procurement of consultants’ services for those contracts specified in the PP.

Table 3.4. Additional Procurement Methods

(a) Selection under a Fixed Budget (FBS)
(b) Least-Cost Selection (LCS)
(c) Selection Based on the Consultants’ Qualifications (CQS)
(d) Single-Source Selection (SSS) of consulting firms
(e) Selection of Individual Consultants (IC)
(f) Single source procedures for the Selection of IC

Review by the World Bank of Procurement Decisions

36. **The PP shall set forth those contracts that shall be subject to prior review by the World Bank.** All other contracts shall be subject to post review by the World Bank. The World Bank may, at its own discretion, require that a sample of contracts below the threshold be subject to prior review at any time or when the PP is updated. The review thresholds are shown in table 3.5.

Table 3.5.Thresholds for Procurement and Review Methods

Expenditure Category	Contract Value Threshold (US\$)	Procurement/Selection Method	Contracts Subject to Prior Review
Goods	≥1,500,000	ICB	All
	≥500,000 and <1,500,000	ICB	None (Post Review)
	<500,000	NCB	None (Post Review)
	<100,000	Shopping	None (Post review)
	All values	Direct Contracting	All
Consulting services -firms	≥500,000	QCBS	All
	≥300,000	QCBS	None (Post Review)
	<300,000	CQS/Other (QCBS/ FBS/LCS)	None (Post Review)
	All values	SSS United Nations Agencies	All
Consulting services - individuals (IC)	≥200,000	IC-Qualification	All
	<200,000	IC-Qualification	None (Post review)
	All values	IC-SSS	All

Procurement Plan

37. **INE developed a Procurement Plan for the first 18 months of project implementation.** This plan was agreed between the recipient and the World Bank during preparations. The plan is available in the project’s database and on the World Bank’s external website. The Procurement Plan sets out the contracts subject to Prior Review by the World Bank and will be updated annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

38. **The frequency of procurement supervision missions will be once every six months.** Special procurement supervision for post-procurement reviews will be carried out at least once every 12 months.

Annex 4: Implementation Support Plan

ANGOLA: Statistics Project

Strategy and Approach for Implementation Support

1. The strategy for implementation support has been developed based on (a) the existing capacity of the implementing agency, (b) the nature of activities involved in the project, and (c) 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.

Implementation Support Plan

2. **Implementation support will be provided by at least two implementation support missions per year complemented by remote support on demand.** The implementation support will cover technical, procurement, FM, as well as project management support. The implementation support will be advisory in nature to ensure that project ownership remains with INE and internal capacity is strengthened.

3. **Technical support will empower INE in the design and implementation of data production activities.** INE has experience in implementing large data production activities but the design was often outsourced to international consultants, leaving a capacity gap at INE to design such activities. As the project activities include technical support from international consultants, the World Bank's implementing support will focus on building capacity at INE to design data production activities. This will contribute to technical sustainability of the project beyond its duration. It will also help empower INE in its relationship with international consultants.

4. **Financial management.** The project will be supervised regularly using a risk-based approach that will review audit reports and IUFRRs 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 Implementation Status and Results Report 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, M&E, and disbursement.

5. **Procurement.** The capacity assessment of the implementing agency has recommended a supervision mission every six months and at least one annual post-procurement review. Missions in the first 18 months shall have a World Bank procurement specialist or a specialized consultant accompanying the mission.

Table 4.1. Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate	Partner Role
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Time	Focus	Skills Needed	Resource Estimate	Partner Role
First 12 months	Project management and team leadership	Knowledge of World Bank OP/BP, experience in supervising lending operations	12 weeks 4 missions	Partners will participate in technical discussions
	Operational support	Drafting ToRs, concept notes, plans and budgets, reporting, and general project management skills	12 weeks	
	Procurement	World Bank OP/BP on procurement	4 weeks	
	FM	Bank OP/BP on FM	4 weeks	
	Agricultural specialist	Sampling, questionnaire, and survey planning for Subcomponent 2.3	8 weeks 1 mission	
	Survey support	Sampling, questionnaire design, survey budgeting, supervision, and analysis	12 weeks 2 missions	
12–48 months	Project management and team leadership	Knowledge of World Bank OP/BP, experience in supervising lending operations	8 weeks 2 missions	Partners will participate in technical discussions
	Operational support	Drafting ToRs, concept notes, plans and budgets, reporting, and general project management skills	8 weeks	
	Procurement	World Bank OP/BP on procurement	4 weeks	
	FM	World Bank OP/BP on FM	4 weeks	
	Agricultural specialist	Sampling, questionnaire, and survey planning for Subcomponent 2.3	4 weeks 1 mission	
	Survey support	Sampling, questionnaire design, survey budgeting, supervision, and analysis	5 weeks 1 mission	

Table 4.2. Skills Mix Required (duration of project)

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Task team leader	44	12	Washington, D.C.
Operational support	44	—	Country office
FMS	20	4	Regional
Procurement specialist	20	4	Regional
Agricultural specialist	20	2	International
Survey specialist	27	3	International

Table 4.3. Partners

Institution/Country	Role
FAO	Will provide advice on the agricultural monitoring system
International Monetary Fund	Will provide advice on macroeconomic statistics