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Report from a mission to INE Mozambique

Project Supervision

14-20 November 2006

TA for the Scandinavian Support Program to Strengthen the Institutional Capacity of the National Statistics, Mozambique

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List of abbreviations

BM	National Bank, Mozambique
CPI	Consumer Price Index
DHS	Demographic and Health Survey
FUE	Business Register
INE	National Statistical Institute, Mozambique
LTA	Long Term Advisor
MDG	UN Millennium Development Goals
PRODOC	Project Document (Scandinavian Support Programme)
SCANSTAT	Programme Implementation Party (Statistics Denmark, Statistics Norway and Statistics Sweden)
SEN	National Statistical System in Mozambique
SNA	System of National Accounts
STA	Short Term Advisor
TA	Technical Assistance

0. Executive Summary

INE has celebrated its 10 years anniversary in August and has under the last decade undergone a rapid development. The present five year plan (2003-2007) is to a very large extent supported by a Scandinavian financed programme.

This report includes the findings from a mission that overlooked the progress in the Scandinavian programme that follows INE's 5-year plan. It can be concluded that the foreseen activities in the PRODOC have been carried out or are well in progress. The capacity building has had a good progress and the tentative activities for 2007 are well planned. The coming population census in August 2007 will require a lot of resources and therefore affect the activity level in other areas.

The financing of INE's activities from 2008 and onwards are not determined. They have to consider the present situation and at the same time secure a continued capacity building in a sustainable way.

1. Introduction

Background

The mission took place as a part of the regular supervision of the TA activities in the Scandinavian support programme to INE Mozambique. It was conducted simultaneously with a mission to support the work in INE to prepare the next five year strategic plan (2008-2012). The overlapping sessions are not commented in this report.

This mission

The Scandinavian Programme follows the present five-year plan in INE (2003-2007) and will therefore come to an end 31 December 2007. The purpose of the mission was to follow up on the project related activities during 2006 and to discuss activities during the rest of the project period taking the requirements from INE and the remaining budget into account.

The mission included meetings with the project counterpart and the other main project partners in INE as well as donors (The Danish and Norwegian Embassies) and major SEN stakeholders.

2. Activities during 2006

The largest survey in 2006 was the pilot census in October. The Scandinavian programme has only been involved in this to a minor extent.

Technical Assistance

A mid-term review of the Scandinavian programme took place in May 2005. This resulted in a suggestion to raise the funds for TA 2006-07, which later was partly accomplished and a revised plan was accordingly prepared in June 2006 (Appendix 3).

There were five LTA's in the beginning of the programme. It was from the start intended to reduce this at the end of the period. Four LTAs have been active during 2006: The LTA Mr Lars Carlsson (the whole period), Mr Dag Roll Hansen, Social Statistics (January-March), Mr Karsten Bormann IT (January-August) and Mr Jan Redeby National Accounts (January-November, part time). A number of STA missions have also taken place within the TA part of the project. The number of LTA's will be two in 2007.

The following can be mentioned among other TA development achievements during the last year.

Social Statistics

The UN defined Millennium Development Goals means that poverty should be halved from 2000 to 2015. All countries are encouraged to report this progress. The measurement of it is a challenge in particular for sub-Saharan countries. A comprehensive and valuable report on these MDG's has been published by INE.

A UNICEF sponsored project in the Ministry of Justice to register all children is going on. Considerations on using this also in INE for statistical purposes are going on.

National Accounts

The system to compile the national accounts has been revised. A database system consisting of linked Excel-files called NADABAS has been developed. It has now been used for the revised SNA for some time. The system is fully

documented (Installations Guide, Users Guide, Administrators Guide and Developers Guide). Translation into Portuguese is going on.

The revised annual National Accounts 1991-2004 (with base year 2003) will be published shortly.

The compilation of the quarterly GDP on constant prices (2000-2004) is going on.

IT It has been suggested to establish an IT-council to support the IT-management in INE. This will constitute an important forum to discuss coordination and prioritization of IT activities.

Achievements have been made in INE that all 13 provincial offices in principle now have possibilities to submit data over electronic lines to the headquarters in Maputo. Further work is however needed in order to secure a regular functioning.

Considerations on the organisation and coordination of the statistical data in INE have been made within the concept of 'Data Warehouse'. This has included theoretic courses for INE staff.

The response time on the data network is growing. Investigations on how to solve this will be done.

Other TA-expert activities

Missions have been conducted in

- Gender (publication women and men)
- Environment Statistics
- PC-AXIS/PX-WEB (dissemination software)
- Foreign Trade Statistics
-

Other Training

Courses have during 2006 further on been held on:

- Poverty Prediction, Modelling and Analysis.
- Courses in English (continuous)
- Working tour to Nairobi (National Accounts)

Operational support

About 2/3 of the total budget is devoted to operational support for current activities in INE such as:

- Project coordination
- updating of the information collected during the business census 2002/03
- CPI (new method for monthly index)
- Current economic statistics
- Provincial delegations
- training (short and long-term)
- IT equipment
- Printing activities

3. Plans for 2007

The team leader will continue the assignment during 2007. An LTA (Julia Cravo) on economic/business statistics will take office in January 2007 for a

one year assignment (with the possibility for a prolongation depending on funds from donors).

A draft of the annual plan for SEN 2007 to be discussed at the Steering Committee meeting 23 November is prepared. The final approval is expected to be made by the SEN High Level Council in March.

TA-expert missions for the coming months in 2007 were discussed with the relevant Directors. It was evident that the upcoming population census (August 2007) will require a lot of resources and therefore to large extent determine the possible number and timing of other activities.

In general there is a high focus on data quality, dissemination and user relations (i.e. course for journalists) in INE.

Social statistics

- The major task for INE during 2007 will be the population census, which only fragmentally is supported by the project. Tentative study visits/missions are:
- A study tour to Scandinavia on gender aspects and vital statistics (February, 2 persons)
- Mission on vital statistics (April)
- Mission on cartography
- Mission on the improvement of household survey system, gender aspects (May)

Economic statistics

The highest attention during 2007 will be made to:

- improvement of sampling routines
- revision of the annual enterprise survey (it is considered to approach the enterprises instead of the establishments)
- coordination of financial indicators (together with BM)
- a continued updating of the FUE

The LTA is allocated to economic statistics in general and will be active to give advice on above mentioned priorities and other related areas to INE staff. She will also participate in the identification of possible STA missions.

Tentative training courses/missions for 2007 include:

- Mission in National Accounts (end of February)
- Mission on tourism statistics (April)
- Mission on construction statistics
- Course in data analysis in a specific area
- Study tour ?

IT There is no LTA for IT in 2007. This will be substituted by an increased number of STA missions.

Local training centres can be used for basic IT training. It was therefore suggested to call on a local provider for a course on IT security and data protection.

It was considered important that further training to be conducted by experts with knowledge in procedures in statistical production. These courses should preferably also be linked to the specific activities in INE.

Efforts to conduct training courses/missions as soon as possible (February 2007?) should be made in the following areas:

- SQL, data modelling in practice and meta data administration.
<together with a continuation of 'data warehouse'/px-web?>
- Training in Visual Basic
- An expert mission on Win Server 2003 migration verification / audit
(late February)

Training localities Suitable training rooms are not available at INE. It will therefore be an advantage if the training can take place outside INE (Portuguese school).

Other Further courses and short term missions for 2007 are pending.

4. After 2007

INE has been dependant on donor support during the project period and a large progress has been made in capacity building. A continued support both regarding TA and operational support will be necessary also during the next five year period (2008-2012) since it is not supposed that the government appropriations can be sufficient.

The Scandinavian programme (2003-2007) constitutes the major part of donor support to INE. This cooperation between INE and the implementation party, Scanstat has constituted a well functioning coordination of the Scandinavian support. Other donors support has partly been integrated in this by participation in the Steering committee meetings.

A review of the Scandinavian programme is expected in February/March 2007.

The form and contents of possible donor support for the next five year plan is not determined. The Danish and Norwegian Embassies have shown interest in a continued and coordinated support. The form and contents of this will be subject to considerations among these and other donors. One possible model is to pool all donor funds.

Any model must secure:

- A satisfactory distribution between long term priorities like sustainable development and capacity building on one hand and short term priorities like urgent operational activities on the other hand.

Appendix 1. Persons met

INE

Mr Valeriano Levene, Vice President
Ms Destina Uinge, Project counterpart, DICRE
Ms Alda Rocha, External Relations
Ms Marta Chaquisse, DICRE
Ms Edite Dauane, DICRE
Mr Tomas Bernardo, DISI
Ms Fatima, DEMOVIS
Ms Zuraida, DEMOVIS

Royal Danish Embassy

Mr Peter Engbo Rasmussen, Counsellor
Ms Lola Lopez, Programme Officer

Norwegian Embassy

Ms Torun Reite, Counsellor

Scanstat

Mr Lars Carlsson, Project Team Leader
Mr Hans Viggo Sæbø, Strategic Expert
Ms Kirsten Wismer, Strategic Expert
Mr Ulf Jorner, Strategic Expert
Mr Hans Kristian Østereng, Foreign Trade Expert
Mr Jan Redeby, LTA National Accounts
Ms Julia Cravo, LTA economic statistics (from 1 January 2007)
Ms Isabel Jotamo Novela, project assistant

Representatives from Ministries

MPD, MF, MISAU, MEC, BM, MINTRAB, PESCA

Mr Channing Arndt, Ministry of Planning and Finance

Appendix 2. Programme for the Mission

13 November

15.00 Arrival Maputo. Discussion with project tem leader

14 November

8.30-11.00 Presentation of status for strategic plan, DICRE (x)

11.00-12.00 Discussion with DEMOVIS (x)

12.00-13.00 DICRE

13.30-15.30 Meeting with Danish Embassy

16.00-17.00 DEMOVIS

17.30-18.30 Preparation of future LTA (Julia Cravo)

15 November

8.30-9.30 Project Team Leader

9.30-12.00 Meeting with stakeholders (x)

14.30-16.00 DISI

16 November

9.00-10.30 DESE

10.30-12.00 Team Leader

14.00-16.00 Danish and Norwegian Embassies (x)

17 November

9.00-11.30 INE Management (x)

11.30-12.00 African Statistics Day, press conference (x)

14.30-15.30 Debriefing, Valeriano Levene (x)

20 November

10.00-11.00 National accounts

16.00 Departure for Copenhagen

(x) Sessions overlapping with mission on the Strategic Five Year Plan

Appendix 3

Required Technical Assistance to Mozambique's National Statistical Institute (INE), 2006-2007 including additional funding adjusted to available resources.

Background

This document is a revision of the proposed technical assistance (TA) activities for the Scandinavian programme during 2006-2007. The proposal is in accordance with the intentions in the PRODOC¹ (the overall plan for the project "Strengthening INE") from 2003, the recommendations from the midterm review in April 2005 and the subsequent Memorandum of Understanding (MoU) between INE and the Scandinavian Donor Partners. A first proposal was made on October 18, 2005. This proposal have now been adjusted to fit within available resources as calculated by Danida in Maputo.

The PRODOC covers the same years as the five-year plan for INE 2003-2007. Funds for TA for the first period 2003-2005 have been released to the Scanstat Consortium. The recommendations from the midterm review stresses that funds in excess to the already allocated funds for 2006-2007 will be necessary. The originally allocated funds for TA in 2006 – 2007 was released to Scanstat on March 13 2006.

Memorandum of Understanding

The MoU between INE and the Scandinavian donors regarding the TA agreed on the following:

'INE and the Scandinavian partners agree with the recommendations on the need to develop Economic Statistics, being this one of the Programme priorities at the same level as national accounts and the development of information technologies. The RDE, which finances technical assistance (TA), will analyse the possibility of reallocations within the existing TA plan in order to accommodate to this need. Should TA on Economic Statistics not be possibly funded by this agency, alternatives will be studied by Norway and Sweden. Should this attempt fail, only then, will INE approach potential international donors with a proposal to finance TA in the field of Economic Statistics.'

Midterm Review

The following can be quoted among the recommendations from the midterm review:

¹ Draft Project Description: Scandinavian Assistance to Strengthen the Institutional Capacity of the National Statistical Institute (INE) 2003-2007
Ref. No. 104. Mozambique.98 June, 2003

"Within the programme as planned in the PRODOC there is need for additional funding, only part of which could be arranged by reallocations and from exchange rate savings, of which we were advised during the mission:

- An extension of TA arrangements in the area of economic statistics, national accounts and IT is recommended.*
- The idea of applying a greater amount of backstopping (see point above about providing advice from a distance) and personnel and travel-related costs will similarly require additional funds*
- A number of smaller financial needs are related to further improvement of the IT sector, centrally and in the DPINES."*²

Required TA 2006-2007

Further need for assistance in the area of National Accounts

The Scandinavian project for support to the Statistical Institute of Mozambique (Instituto Nacional de Estatística, INE) has engaged advisors in national accounts for a series of missions from August 2003 to December 2005 to support the national accounts, in total approximately 17 months. The compilation of the revised national accounts is well underway, using the new IT-system, NADABAS (National Accounts Data Base System). However, a part of the work remains, including the detailed design of the reconciliation process in the new system.

Compilation of the new benchmark and the revised time series

The time series on the 1996 base year will be brought forward to include 2002. The old time series will then be linked to the revised estimates for 2002, resulting in consistent and revised estimates back to 1991.

The year 2002 is compiled concurrently with the benchmark 2003. 2004 will be compiled somewhat later, as soon as source data are available.

Simplified system for preliminary estimates

A simplified system is needed for the compilation of preliminary estimates for the past year. Initially – as is the case now – the preliminary estimates will be limited to the gross domestic product by activity and expenditure. The system will be based on product balances with less detail in the classifications, and it will be connected to the database in the full system and use the NADABAS features.

² Midterm review chapter 8 page 20.

Quarterly National Accounts

There is an increasing user demand for quarterly national accounts and the development of this is included in INE's work plan for 2004 and 2005. To begin with, the quarterly national accounts will be limited to estimates of GDP by activity at constant prices, possibly also at current prices. The general method will be to extrapolate values added with output indicators and then benchmark the results with the annual estimates. The Denton method will be used for the benchmarking.

The time plan for the implementation is aiming at making quarterly estimates available by November 2006.

Summing up the needs in National Accounts

All this is planned to be finished towards the end of 2006, and would benefit from an extension of the current support to the national accounts. The recent evaluation of the Scandinavian programme recommended an additional support during 2006 – eight months organised as a series of missions but as the work has moved on in a good pace we now think that five months spread out over a period of ten months will be sufficient to achieve the goals set.

Further need for assistance in the IT area.

During the first years of the projects the main goal has been to get the basic infrastructure (servers and workstations in a network) in place and to assist in the development of an IT-strategy, goals that have largely been fulfilled

Further support to DPINE

There are still a number of practical issues that have to be addressed, especially regarding the infrastructure within DPINE, which will require some resources. The development of communication and IT – competence within the provincial offices will need further advice.

Data warehouse

However, the first main task for the next period will be to establish and implement a set of good practices for storing and processing of data that should be common for all of INE. This includes the creation of a data warehouse model that has to be implemented at low cost, using sustainable technology and with low cost of maintenance. Initial work has been done in this area during 2005, but there is still a long way to go, both with development and implementation and streamlining the production process for individual surveys. Once implemented the Data Warehouse should lead to a better use and dissemination of data and human resources at INE.

Data management

The second main task for the period is to improve management of human resources, processes, projects and quality. It is important with regards to the Data Warehouse project to fully exploit the potential benefits, but can be extended to all parts of It-related production within INE.

Summing up the needs in the IT area

All this is planned to be finished by the end of 2007, and would benefit from an extension of the current support. The recent evaluation of the Scandinavian programme recommended an additional support during 2006 – 2007 of eighteen months. To be able to finish the programme within the financial limits this must now be reduced to 8 months. However it is the plan to support the IT area with an additional series of short term advisory missions. Although the IT-Area area is a complex one, we believe that with additional STA it will still be feasible to achieve the goals set.

Need for assistance on Economic Statistics

The TA for basic economic statistics has been on a too low level during the two last years.

Even if the Scandinavian project includes long term assistance on basic economic statistics, there has not been a long term TA within this area since the start of the program in July 2003. Significant efforts are necessary for 2006-07 especially to establish adequate updating routines for the business register that was established after the Business Census 2002/2003.

System for updating the business register

A Business register should contribute to a relevant and reliable description of the Mozambican economy. In a developed statistical system it is one of the three corner stones, as it provides a basis for all surveys within economic statistics. Sources for updating the Business Registers are administrative sources, Surveys (regular surveys and special survey for updating purposes) and field updating done by the province delegations. An operative plan for this work needs to be finalized and implemented.

Development of the system for economic statistics

The production of both annual and monthly economic surveys faces serious shortcomings today. Both the response rate and the quality of information received are not satisfactory. TA to assist INE in further development and implementation of the system of economic statistics is necessary. New samples based on an updated business register are one important task. Another important task is to help improve the system of data collection, processing and transfer from the provincial offices to INEs central office

Summing up the needs in Economic statistics

The activities mentioned above are in accordance with the task descriptions in PRODOC. Long term assistance for 24 months was proposed in order to complete the commitments in PRODOC. However due to factors outside our control time has now passed and inside the contractual framework it is now only possible to aim for 15 months of long term assistance.

Social Statistics

The activities in the social statistics area will be focused on the forthcoming census, which in the initial stage is outside the scope of this project. The LTA in social statistics will therefore as planned be phased out during the first months of 2006. Single short-term missions can be conducted mainly as a follow up of previous activities.

Backstopping activities

The experience from the first two years underlines the need for backstopping activities. The fact that the LTA in social statistics will finalise will add further to the need for backstopping. It is in accordance with the recommendations estimated that there is a need for 200 days per year in 2006 and 2007. This will be particularly useful in continuing the involvement of consultants who have worked with INE and could be facilitated by building into TORs the requirement for both long and short-term consultants to provide follow-up advice after they have returned home.

Amount of TA and budget

The adjustment of the TA activities for 2006-2007 mainly regards the number of long term advisors (LTA). The original PRODOC has only one LTA (the team leader) during the whole period. The planned number of months for the LTA IT was set to eight during 2006.

In the recommendations it was recommended to retain the team leader the whole period, to extend the LTA IT for the whole period and to include two whole years for the LTA economic statistics during 2006-07. The LTA for National Accounts was further proposed to be set to eight man-months during 2006. Unfortunately it is not possible to finance all recommendations from the Mid-term review and therefore the amount of TA has been adjusted to reflect the new budget situation.

The level of backstopping work (in Scandinavia) was set to 50 days in 2003 and 100 days/year 2004-05. It is in accordance with the recommendations estimated that there is a need for 200 days per year in 2006 and 2007.

Study tours to Scandinavia will require 30 days in total.

Table 1: TA personnel by type and year, 2003-2007 in person months

Input	2003 ³	2004	2005	2006	2007	Total 2003-2007
Long-term advisors	19	40	44	31	24	158
Short-term advisors	17	15	15	9	10	66
Total	36	55	59	40	34	224

Table 2: Number of TA Months

	2003		2004		2005		2006		2007		Total	
	LTA	STA	LTA	STA	LTA	STA	LTA	STA	LTA	STA	LTA	STA
Long-term TA Months												
Team Leader	5		12		12		12		12		53	
IT	5		12		12		8		0		37	
Social Statistics	4		12		12		3				31	
Economic Statistics					0		3		12		15	
National Accounts	5		4		8		5				22	
Short-term TA Months												
Short-term Consultants			17		15		15		9		10	
Total	19	17	40	15	44	15	31	9	24	10	158	66

Years 2003 to 2005 is in accordance with already performed assistance

Years 2006 and 2007 planning period are adjusted within the actual budget frame as known by the end of June 2006 and according to the intentions by the midterm review.

Budget

	Proposal for extended project 2006 - 07 budget	Balance from first period 2003 ñ 05	Budget existing contract 2006 - 07	Need for additional funding
A.1 Home office				
Sub ceiling	981,063	-8.200	546.039	443.224
A.2.1 Expatriate key personnel in recipient country				
A.2.1.1 On long term assignment				
Sub ceiling	6,270,000	1,678,725	2.979.300	1,611,975
A.2.1.2 On Short term assignment				
A.2.1.2.Short term missions				
Sub ceiling	3,300,000	-665,952	1.659.627	2,306,325
Ceiling amount	10,551,063	1,004,573	5.184.966	4,361,524
B. Reimbursable expenses				

B.1 Investment and procurement

B.1.1 Project related expenses

B.1.1.1 Office equipment	125,082	65,082	60.000	0
Ceiling amount B.1	125,082	65,082	60.000	0

B.2 Working expenses**B.2.2 Key personnel on long-term assignment**

B.2.2.1 International air travel (economy)	177,000	-58,154	64.000	171,154
B.2.2.2 Removal allowance	500,000	308,922	207.640	-16,562
B.2.2.3 School allowance (course fee)	430,000	-363,450	22.000	771,450
B.2.2.4 Housing/accomodation	624,000	623,208	0	792
B.2.2.6 Health insurance	196,000	100,517	76.400	19,083

B.2.3 Expatriate key Personnel on short-term assignment

B.2.3.1 International air travel, ececonomy class	360,000	-103,200	304.000	159,200
B.2.3.2 Accomodation (incl. laundry)	330.000	308,838	418.000	-396,838
B.2.3.3 Subsistence allowance	300.000	28,376	152.000	119,624
B.2.3.4 Health and illness insurance, repatriation	9.000	29,905	17.100	-38,005
B.2.3.5 Visa, vaccinations, profylax	57.000	-47,555	10.200	94,355

Ceiling amount (B.2)	2,983,000	827,385	1.271.340	884,275
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Total reimbursable exp. (B.1 + B.2)	3,108,082	892,467	1.331.340	884,275
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Tender price (A + B)	13,659,145	1,897,040	6.516.306	5,245,799
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<i>(Same in USD with rate 6,25 DKK/USD</i>	<i>2,185,463</i>	<i>303,526</i>	<i>1,042,609</i>	<i>839,328)</i>
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