

Progress Report

3. Quarter 2002

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



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List of abbreviations

CO	Scanstat Coordination Office in Statistics Denmark
Danida	Danish International Development Assistance
DKK	Danish Kroner
DSt	Statistics Denmark
EUR	European Euro
INE	Instituto Nacional de Estatística, Mozambique
INE-P	Instituto Nacional de Estatística, Portugal
MZM	Mozambique Meticaís
NOK	Norwegian Kroner
Scanstat	Consortium between Statistics Denmark, Statistics Norway and Statistics Sweden
SCB	Statistics Sweden
SEK	Swedish Kronor
SSB	Statistics Norway
USD	US Dollars
ZAR	South African Rand

1 EXECUTIVE SUMMARY

Major progress with support from the Scandinavian Program

- √ The Internal Coordinating Group had 2 monthly meetings 2/8 and 20/9
- √ The Household Survey with a Household Income and Expenditure Survey (HBS) and a new QUICK started the main fieldwork on 1st of July.
- √ The preparations of the Business Census continued, including a Pilot Survey in September
- √ The procedure according to PROAGRI rules to procure new printing equipment was finalized and a contract with the selected company was signed in August
- √ The Strategic Plan 2003-07 for SEN was formally approved upon by the High Council for Statistics in the end of June.
- √ The work on the new 5 year plan 2003-07 for SEN started
- √ A separate plan for systematic quality work was designed
- √ A work to start to develop a product based cost accounting system for INE started.
- √ A plan was developed on quarterly National Accounts
- √ Work started in the end of the quarter to provide INE with Full Internet
- √ Long term training activities started/continued:
 - § 5 for master degree - statistics, informatics and economics (3)
 - § 24 licenciaturas - management (11), economics (2), history/geography (4), psychology (1), demography (1), informatics (3), statistics (2)
 - § 8 middle-level - informatics (4), library (3), secretary (1)
- √ A plan for short term in-house training 2002/2003 was developed and implemented
- √ 4 short term missions through the Consortium
 - § Systematic Quality work
 - § Quarterly National Accounts
 - § Cost Accounting System
 - § Full Internet
- √ 2 short term missions not through the Consortium
 - § Business Census preparation through the Budget Support from the Scandinavian Programme
 - § Data Processing of the HBS 2002-03 through separate Danida funds
- √ The remaining 2 (of 6) long term advisers started their assignments on 1st of September
 - § On National Accounts
 - § On IT

Major Problems

With reference to the Inception Report, some major problems have been solved, such as

- √ A detailed plan for training activities have been prepared and implemented
- √ The accounting procedures are computerized from 1st of October
- √ All long term consultants have vehicles and sufficient office premises

In need of solution/implementation are

- √ The presence of Directors at the meetings with the Internal Coordination Group is still poor and in case they are represented by a Head of Department, he/she is not sufficiently briefed back
- √ At least monthly recorded meetings at Directorates and Departments with program activities on the agenda and with minutes distributed to the long term consultants have still to be implemented.
- √ The administrative support is not sufficient, not least to the long term consultants and Director of the Programme who therefore not seldom have to spend office time to solve practical details

2 INTRODUCTION

The Scandinavian Bridging Support Programme to INE started on 8th of May 2002 and covers one year. The total support amounts to about 3.9 millions USD and has three main components:

- ∇ Operational activities and Equipment 2.1 mil USD
- ∇ Long and short term training 0.3 mil USD
- ∇ Technical Assistance 1.5 mil USD

Funds for technical assistance are for consultants through the Scandinavian Consortium (Scanstat) of the National Statistical Agencies in Denmark, Norway and Sweden. The other funds about 2.6 mil USD are "budget support" to complement INEs local budget.

This report is focused on the third quarter 2002, July - September. It covers above all major achievements, problems and plans of activities within INE that are supported by the Scandinavian Bridging Programme. The report uses as references above all two earlier reports.

One is the Inception Report that covers the initial period of the program. The other is the Project Document for the Program. PRODOC lists about 10 areas that require special attention in the year(s) to come as well as 23 major activities that INE plans to fulfil during the program period.

Other important references are the reports from the 4 short-term missions that were completed during the third quarter.

This report has been prepared by INE with the assistance by the consultant, the Scanstat Consortium. The report contains the views of INE, which do not necessarily correspond to the views of Danida (leading donor).

3 OVERVIEW OVER THE PROJECT PROGRESS

An overall display of the funding of INEs activities May - September is as follows in US Dollar:

Government Budget	373.350
Scandinavian Program	
Technical assistance	394.000
Operational Activities	757.000
Equipment	189.000
Training Activities	76.000

With reference to the major activities in PRODOC, the activities and progress in the reporting period are as follows:

Plan 1998 -2002

The implementation of the plan is still going on and the work to evaluate the plan and to compare objectives with results will start in the fourth quarter. One part of this evaluation is an independent evaluation of the Twinning Arrangement between Statistics Sweden and INE. This Arrangement terminated in June 2002 and had as a principal objective to support INE in implementing the five-year plan 1998-2002.

Plans 2003-07

Preparatory work for the overall strategic plan 2003-07 for SEN with support from short-term missions took place during the Twinning Arrangement. The final plan was prepared in the end of the second quarter. The Bridging Program supported two consultants for this purpose, one through the Consortium and the other one through funds that are transferred directly to INE ("budget support").

The High Council of Statistics with the Prime Minister as Chairman approved the plan in the end of June 2002

Separate strategic plans exist for the IT-area and for Human Resource Development

Work started in the third quarter to transfer the strategic plan into an operational plan for SEN 2003-07 divided on current and development activities. A short-term mission in the end of the second quarter within the Bridging Programme supported INE in these preparations. The plan is expected to be approved by the High Council for Statistics by mid November. It will form the basis to prepare the new PRODOC for INE so as to request for a continuation of the Scandinavian Support.

Human resource development plan and a HIV/AIDS action plan

The existing HRD-plan will be updated to detail INEs need to 2007 so as to be a part of the new PRODOC.

Product based planning and cost accounting system

A short-term mission started in the end of the third quarter to support INE in this area. The purpose of the mission is to start the development work by defining and tentatively agree upon an object plan with a chart of object codes. Regular time-report from all staff at INE will have a crucial role in the new system. The development work will continue also after the end of the Bridging Year.

Internet

A mission within the Programme started in the middle of September aiming to support INE to establish full Internet at INE. One foreseen major problem with this is INE's lack of staff and competence in the IT-area, particularly in this specific area.

Intranet

INE's Intranet started gradually in the second quarter 2001 with support from the Twinning Arrangement. It is still under development and will have to be continuously improved in the years to come. It is for instance necessary to improve the present way of keeping the information necessarily updated.

Print Shop

Invitation to Bidders for modernization of INE's Print Shop took place in the previous quarter. The process continued in the third quarter and INE could sign a contract with the selected company (Print&Pack from RSA) in August. The new equipment that is entirely funded by the Bridging Program is expected to be installed by mid November.

The Agriculture Census

The last report on analysis, involving several research fellows is underway. A specific workshop in this context, supported by FAO took place 21-22/8.

Business Register completed, incl updating procedures

Most work remains pending the information from the Business Census. It also remains to finalize and decide on the updating procedures, which should be in full swing not later than after the Census is through.

Completed data collection and data processing of the Business Census

The data collection starts on 1st of October 2002.

Plan developed and implemented for improving economic sector statistics to serve for instance quarterly National Accounts

Not much done so far. However, no specific problems are foreseen to achieve the planned output within the Bridging Year and also in time so as to serve the launching of the quarterly National Accounts in 2003.

Plan prepared for compiling and producing quarterly NA

A plan is underway. A short-term mission took place in the end of September. The result of this will be followed up and implemented with support from the long-term consultant in the area.

Plan prepared for developing NA with Household sector accounts (based on HBS-data) and Bayesian approach

A skeleton to a preliminary plan has been worked out with Dutch support.

Plan prepared for extending Consumer Price Index to more cities

A short-term mission within the program will take place in October to support INE on this issue.

Plan prepared for revising CPI with HBS-data - whenever these will be available

The short-term mission in October will assist INE also on this issue

Completed analysis of the first round of CWIQ

This output has already been achieved. Two reports were published from the survey, one in 2001 and another in 2002.

The Household Budget and Income Survey (HBS) partly carried out
The data collection started in July 2002 and covers one year.

Plan developed and implemented for current social statistics with improved outputs
Work is going on. So far above all for statistics on crime, prisons, courts and culture. New statistics on sports are planned to be implemented from 2003

Plan developed and implemented for a gender training program
A short-term mission is planned to the first quarter 2003 and will focus on this issue.

Plan prepared for the Demographic and Health Survey 2003
No results so far pending agreed support from above all USAID

4 MANAGEMENT, PLANNING AND ADMINISTRATION

This chapter deals with activities connected to the Directorate of Integration, Coordination and External Relations (DICRE) and the Directorate of Administration and Human Resources (DARH).

The Director of DICRE is also INE's Director for the Scandinavian Programme while the Director for DARH is the Deputy Programme Director. Both Directors are main counterparts for the Team Leader for the Scandinavian Programme particularly in his role to assist INE to plan and implement Programme supported activities.

These include for instance discussions with the donors especially Danida as the lead donor, regular weekly meetings within INE, plan, implement and follow up short term missions, prepare procurement of major equipment above all the new printing equipment, prepare for arrivals of long term consultants etc.

Major Progress in the third quarter

The new strategic plan 2003-07 for SEN was finalized and approved in the beginning of the quarter with the support from short-term missions that were carried out in the end of the second quarter. There had earlier been consultancy support within the Twinning Arrangement. Work started to transfer the strategic plan into an operational plan 2003-07 for SEN. The Programme supported INE in the preparations through a short-term mission in the end of the previous quarter. INE's preliminary Government budget and priorities for 2003 was prepared as a part of the Economic and Social plan 2003 for INE.

There were preparations for a specific mission to start towards the end of the quarter to assist INE to begin to develop a product based planning and cost accounting system. Regular time use reports from staff at INE are anticipated to have a crucial role in the new system. The development work will continue also after the Bridging year.

The process to procure the new printing equipment continued, ending with INE signing a contract with the selected company in August. The new equipment will make INE independent on printing publications of small and medium size.

Another important horizontal activity with Programme support concerned systematic quality work. A short-term mission with one consultant from INE Portugal and one from Statistics Sweden took place in September. The mission outlined a program for how to embark on a long-term systematic quality work based on Total Quality Management. It was decided to appoint an internal project group with representatives from all Directorates and with the Team leader as assessor.

Major Plans for the fourth quarter

The new 5-year plan 2003-07 covering SEN will be developed and presented for approval to the High Council for Statistics in November. The plan will form the basis for the work with INE's new PRODOC for requesting continuous support from the Scandinavian countries. The work with PRODOC is another main activity in the fourth quarter.

The new printing equipment is expected to be installed in November/December. The intention is to start using the new equipment before the end of 2002.

5 INFORMATION TECHNOLOGY

The Scandinavian Bridging Programme has 2 long-term advisers assigned to The department for Information Systems (DISI) within the Directorate of Integration, Coordination and External relations (DICRE). One has as main duty to advice on developing applications and to be a general problem shooter and trainer and was in place from start of the programme. One started his assignment on 1st of September to assist on implementing the IT-strategy and coordinating the National Statistical System in respect to IT aspects.

Both has as major counterpart, the Head of DISI.

Major Progress in the third quarter

Permanent Internet Connection / Network

One main activity, funded by the Scandinavian Programme, was a mission in September by Mr. Niels Jespersen regarding getting a permanent Internet connection for INE. This signifies a great development of the computing environment. It gives every official at INE access to internet e-mail and possibility to browse information on the World Wide Web.

INE will enjoy spectacular improvements in communications. Instead of most of the e-mail to INE filtering through one channel (info@ine.gov.mz), every official will have contacts directly and immediately, without the need of dialing up the Internet service provider via a modem.

Having immediate access to the many different resources of the World Wide Web also have immense potential for increasing the quality of the work performed at INE. Facts can be checked, problems solved etc by means of this universal library.

The installation of the Internet services at INE has an immediate effect on the network environment of INE. It is now connected to millions of computers and brings as a consequence serious security concerns. The short term mission focused on implementing a secure industry standard solution that will require constant attention from the INE Network Manager to deal with anti-virus attacks and other security breaches.

This brings us to the increased vulnerability of the INE network because of the new services. With full Internet, INE is in fact an Internet Service Provider, albeit on a small scale. This means that a higher level of networking expertise is required in order to have a well-functioning operation. It also means that the volume of work increases and the fact that INE only has one person – the network manager – maintaining the network suggests a dependency that clearly is not sustainable.

This fact was underscored in late September when the INE main server crashed and the institute had to survive without the network services for 24 hours, albeit the presence of the qualified short term network consultant. Without him, the break would have been much longer. The server failure had very serious negative consequences and the incident forced a number of main recommendations that INE has to attend to urgently:

- § Training the INE network administrator for Microsoft Certification Engineer (MSCE)
- § Hiring new staff that can be trained to work with network management and help desk
- § Ensure continued external support for the area
- § Drafting and implementing a Disaster Recovery Plan that will minimize the negative effects when a calamity occurs.

Systems Development

A World Bank consultant had a series capacity building sessions with the Informatics staff regarding the CWIQ (QUIBB) data processing system. It involved all phases, from the design of the forms used for scanning, the transfer of the scanned data to MS Access databases and the subsequent publishing in MS Excel. It is a thoughtfully designed system which, based on strict standards and rules, reduces the whole chain from data entry to publishing of results dramatically. The system is partly used in the household budget survey (IAF).

The overall objective on IT according to the 5 year strategy is to make the production of statistics more efficient, to reduce the costs and to improve the quality of the service and the quality of the working processes. One way to reduce costs and also to improve the quality is to implement a reasonable level of standardization on hardware, software, system development and documentation. It's not easy and it takes a long time and a lot of efforts to introduce standardization. In order to ensure that INE makes the right prioritization and get the right level of standardization it is important to describe and understand the existing strategy, the existing systems but also get an overview of planned surveys and other subject-matter activities. On that basis it is possible to make IT-strategy and other plans that point in a direction where standards on hardware, software, architecture and documentation support the overall strategy and the plans at the subject-matter areas. A proposal to a project description for this activity has been made.

Training

Preparations were done to execute a large in-house training programme for INE staff in using the various software that is being used at INE. The training is scheduled to start in November 2002.

Major Plans for the fourth quarter

- § In house training in various software packages for INE staff and provincial staff.
- § Consolidation of the Full Internet
- § Commencement of Systems Documentation
- § Execution of Computer procurement
- § Continued implementation of the LDB and ESDEM databases.

6 DEMOGRAPHY AND SOCIAL STATISTICS

The Division for Demographic, Vital and Social Statistics is divided in two Directorates. One for Censuses and Surveys (DCI) and one for Demographic, Vital and Social Statistics (DEMOVIS).

The Bridging Programme has a long-term consultant to support the Division. His main counterpart is the Director for DEMOVIS. There is also budget support from the programme to the Household Survey, (incl a Household Income and Expenditure Survey) as well as to current economic statistics.

Both directorates have emphasised contact with different user groups and the provincial level of INE in their tasks, and had meetings and discussions to clarify the existing conditions and needs.

The long-term advisor on Demographic and Social statistics has been involved in most of these processes in one way or another and has participated on most of the meetings or seminars with the different Ministries or institutions.

Major Progress in the third quarter

Household Survey

A major undertaking for the directorate of surveys has been to start up the new and large Household Survey 2002/03 with a Household Income and Expenditure Survey (HBS 2002/03). It has been a strong need for time consuming advice and quality control of the interviewers and staff on regional level. The implementation of a proper data entry and processing system at the headquarter of INE and the training of the data processing staff in scanning and optical reading have also been an important task, which a short term expert from the World Bank has been in charge of.

Advise on quality issues has been an important part of the work of the long-term consultant. A special report on the quality of the fieldwork on the Household Budget and Income Survey 2002/03, based on a field trip control study in four provinces, has been made. The main conclusion was that INEs field work so far has been of high quality.

Current Statistics and Gender Statistics

Among the important tasks for DEMOVIS, in addition to taking part in the start up of the HBS 2002/03, has been

- an evaluation of delegating statistical responsibilities to Ministries and other institutions as part of the National Statistical System (SEN), with special emphasize on delegating responsibility to the Ministry of Labour, the Ministry of Woman and the Ministry of Higher Educations. The quality of statistical works done by some of the existing SEN-institutions has also been assessed.
- Started the work on a new publication on gender statistics,
- Prepared a new tabulation reports on crime, justice and prisons,
- Prepared a new type of statistics on organised sports and sports facilities.

To improve the quality of information on statistical capacity and competence, a special questionnaire has been developed and sent to the relevant institutions. A preliminary report on the quality of existing statistics in the social fields has also been made, which identifies several important issues to be improved

in future reports both from INE and cooperating SEN-institutions. One important task will be to improve the relevance of statistics and to clarify and document the concepts used in publications.

Major Plans for the fourth quarter

Household Survey

During the coming three months the main tasks in connection with IAF 2002/03 will be to plan the preliminary analysis of the IAF data, starting from February 2003. A newly created analytical group with internal and external members will now prepare the issues of this analytical work, which will emphasis poverty issues. It is in addition important to continue the quality control of the fieldwork at provincial level and the data processing at headquarter. A new quality control of the fieldwork is planned to start at the end of 2002.

Current Statistics and Gender Statistics

The preparation of a tabulation report on gender statistics is now well under way. During the first part of fourth quarter of 2002 INE has had a seminar with the main users groups, and a consultant is now preparing the tables that was agreed upon. The work on a tabulation report on crime, justice and prisons are also in progress.

A pre-test of the new sports statistics is in addition planned during the coming months after the final discussions with the Ministry of Sports and Youth have taken place. The evaluation of delegation of statistical responsibility to other Ministries and institutions will also be finalised when the needed information is received.

The long-term expert will participate in most of these processes. But the main emphasis will be on involving user-groups in the preparation of the IAF-analytical work and in the development of the new sports statistics. The quality issues related to the new publications will also be important tasks.

7 ECONOMIC STATISTICS

The Division for Economic Statistics is divided in two Directorates. One for Economic Statistics and Business Statistics (DESE) and one for National Accounts and Global Indicators (DCNIG), including Consumer Price Index.

DESE is divided into two departments. The Department of Statistics on Goods and Environment (DEBA) and the Department of Service Statistics, Informal sector and Business Register (DESC).

The Bridging Programme has a long-term consultant for Economic Statistics who started her assignment in June. Her main counterpart is the Director for DESE. There is also budget support from the programme to the Business Census, the Business Register as well as to current economic statistics

DESE produces economic statistics based on both monthly and annual surveys. The data collection is done by INEs provincial offices, and DESE is therefore heavily depending on a well organised transition and handling of data all the way from the enterprises/establishments through the provincial delegations and to the central office. Today this data collection process suffers from delays and missing data. There is a need to look at all the links in this chain to make the transition of data more effective.

Major Progress in the third quarter

The major activity within DESE in the third quarter 2002 has been to plan and start the *Business Census (CEMPRE 2002)*. The first plan for the Census was prepared through a mission from INE/Portugal in 2000 and in the beginning of the third quarter 2002 that the preparations for the CEMPRE escalated through a second short-term mission from INE/Portugal in July 2002. During a period of two weeks the methodology for the Census and a detailed timetable were outlined. During a following mission by INE-staff to INE/Portugal in August the planning process was finalized. A limited pilot survey was conducted in September.

A main objective of the CEMPRE is to establish a new and better Business register that can replace today's Cadastro. INE has decided to use a *PALOP software* both to process and maintain data from the Census that is to be included in the new Business Register. Other data collected through the Census will be processed later using an additional application developed by INE-staff.

The *Annual Surveys* covers enterprises within manufacturing industry and within commerce and services. Questionnaires are distributed in August and have the previous year as the reference year. This means that the survey that started in August 2001 collects information for 2000. In connection with the surveys, INE requests larger enterprises to submit a copy of the financial statement for the survey year for use by National Accounts. A main activity within DESE in the third quarter 2002 was to prepare and send out questionnaires for the 2001 Annual surveys.

The main use of the *monthly surveys* is for the quarterly publication, *Economic Short term Indicators (A Conjuntura Económica)* under the responsibility of the other Directorate in the Division (DCNIG). There are six different surveys: manufacturing industry, construction, hotels and restaurants, transport, commerce/service and ports/airports. In the third quarter 2002 main activities within this area has been to process, analyse and prepare data for Economic Short term Indicators 2nd. quarter 2002.

UNIDO has since the second quarter 2001 had a program going within INE, which focuses on *upgrading the Industrial Statistics*. A mission in the second quarter of 2001 assessed the situation for the annual industry survey, for the monthly industry survey and for the business register. The comprehensive mission report from 11 July 2001 lists 14 main recommendations. A follow-up mission in May 2002 and also a

meeting with INE- staff in early July was dedicated to evaluate the progress of implementing the recommendations and to give additional advice.

A postscript dated July 2002 from UNIDO states that; “Progress is evident for the *annual data*”. It points out that there has been a clear improvement of the questionnaires for the Annual Survey of Industry. Another important improvement that is pointed out is that INE has stopped the practice of substituting enterprises.

Statistics on *Construction* is collected through the monthly surveys. INE has requested a short-term mission with the objective to assess and upgrade the construction statistics. Especially it is of interest to view the possibilities to include *Auto-construction* in the Construction statistics. A mission founded by the Bridging Support Program was planned for July 2002. Unfortunately it has not been possible to find a suitable consultant for this mission this year, and it has therefore been decided that the long-term consultant on basic economic statistics assess this area together with INE-staff. The work on this area will start in October 2002.

Main activities in the third quarter 2002 within the *Agriculture Census (CAP 1999-2001)* have been to finalize the publications from CAP with FAO-support. The final draft for the “Main Census Report” was elaborated by the long-term consultant on CAP assisted by a short-term consultant during a mission of 6 weeks. Further 9 national consultants were contracted to do in depth analytic reports on different areas. These reports were presented at a seminar in August 2002.

The report from the Pilot Survey on *Border movements* was finalized and published in June. This pilot survey occurred in the period from August to December 2001. During the third quarter 2002 INE in conjunction with the Ministry of Tourism and Internal Affairs has been planning the next step in this project, which implies an enlargement of the number of borders of which data are to be collected. It is planned to collect border forms at all major frontiers in Mozambique in the period from September to December 2002.

Plans for the fourth quarter

In the fourth quarter 2002 the Business Census will take up a major part of the resources at DESE. Most of the staff at DESE will work within the Census. This implies that production and further development of current statistics has to be lowly prioritised. Only data for the quarterly publication “A Conjuntura Económica” will be produced.

The data collection in the provinces Maputo, Gaza and Inhambane will start on the 1.th of October 2002. The fieldwork was originally planned to take 3 months, but based on experience from the pilot survey it is prolonged by one month, and will go on until the end of January 2003. According to plan the first results from the CEMPRE will be published in March 2003.

A mission from Statistics Sweden financed by the Bridging Support Program is planned for the three last weeks of October 2002 to evaluate the initial fieldwork of the Business Census and to suggest improvements in the process of collecting and processing data from the CEMPRE. Further assistance in the fieldwork period is planned through a one-week mission from Cape Verde in November. Finally the short-term mission from INE-Portugal to assist in the installation of the PALOP software will take place in the second week of October. The data processing will start as soon as the software is in place.

INE has decided to wait until after the Business Census before developing and starting systematic updating of the Business Register. It is of high priority to establish a system for register updating as soon

as possible. A business register is a dynamic register and without updating the data collected through the Census will soon be out of date.

The long-term consultant's main task in the fourth quarter is to help plan a new Construction statistics including suggestions on how to handle auto-construction. Another main task is to draw up a draft plan for the future structure of economic sector statistics based on the new Business Register.

A short-term mission from Statistics Norway on the Consumer Price Index (CPI) is planned to take place by the end of October. Main objectives will be to discuss how to utilize the new HBS-data for new weights, the possible expansion to more cities and implementation of the new IT-system.

The Agriculture Census has been prolonged for three months until the end of 2002. Main activities in the coming quarter will be to finalize the reports from CAP, and to organize and document the database.

8 NATIONAL ACCOUNTS

The Directorate for National Accounts and Global Indicators (DCNIG), which is a Directorate in the Economic Statistics Division, is responsible for producing the national accounts, short-term indicators every quarter (*A conjuntura económica*) and the consumer price index every month. The last two reports are disseminated mainly electronically.

The Bridging Programme has a long-term consultant for National Accounts who started his assignment on 1st of September. His main counterpart is the Director for DCNIG. There is also budget support to National Accounts as well as to Consumer Price Index.

Major Progress in the third quarter

In July a meeting was held in Tilburg, Nederland's with participation of Saide Dade, Jan van Tongeren, representatives from the University of Tilburg and the new long-term consultant on national accounts. The purpose of the meeting was to transfer knowledge on the previous work on national accounts systems in Mozambique and to discuss the possibilities of continuing the development of the Bayesian approach to National Accounts compilation. It was agreed to seek coordination and that Jan van Tongeren should continue working on a project proposal for development of the Bayesian approach in Mozambique with support from the University of Tilburg.

In September a short-term mission on Quarterly National Accounts was carried out. The resulting report concluded that the quality of the existing statistical sources needs improvement to be able to form a sufficient basis for Quarterly National Accounts compilations. It was further assessed that separate resource allocation (2 full-time university degree economists) is necessary to facilitate future Quarterly National Accounts compilations.

Major Plans for the fourth quarter

A detailed project description and work-plan for the experimental calculations of Quarterly National Accounts in 2003. The drafted project will be available in December and discussed in January.

Analyses of the current annual National Accounts compilation process (dataflow, calculation-system, organisation and dissemination) are expected to result in recommendations to improve timeliness, regularity, reliability and availability of the National Accounts. The aim is to bring the NA department from a stage of systems development into a stage of regular production.

Continued coordination of the work on the current National Accounts and the Bayesian-approach. A meeting with a representative from the University of Tilburg is planned for November.

Initial work on the preliminary results from the 2002/3 Household Budget Survey (IAF). The IAF will be a substantial element in the future works on implementing 2003 as a new base year.

9 FUTURE ACTIVITIES AND RECOMMENDATIONS

The major activities at INE with support from the programme in the nearest months are above all

- ∇ Continue with the Household Survey, including to produce the first estimates from the Income and Expenditure Survey in the first quarter 2003
- ∇ Prepare for the analysis of the first results
- ∇ Continue with the Business Census and to produce the first results in March 2003
- ∇ Continue with the process to complete the Business register with necessary updating procedures
- ∇ Continue with the plans to improve current economic statistics
- ∇ Continue to develop plans for quarterly National Accounts, to start with on a test basis
- ∇ Prepare a plan for how to update CPI with data from the new Income and Expenditure Survey
- ∇ Continue with the various training activities, including a separate Statistics in Action Course in February 2003
- ∇ Finalize the new 5-year plan 2003-07 for SEN
- ∇ Start to prepare the new PRODOC for the Scandinavian Support
- ∇ Continue to develop a product based cost accounting system
- ∇ Continue to develop a systematic quality work
- ∇ Develop and operationalize the IT strategy
- ∇ Develop and operationalize the Human Resource Development Plan

Appendix 2 shows an updated list of short-term missions.

Appendix 3 shows the financial situation for the program, indicating that the Budget for

- ∇ Administrative assistance/support must be increased with 25 000 Dollars which can be done by reallocation funds from the Budget for Official Travels
- ∇ Business Census budget is too small. A revised Budget, Appendix 4, shows that there is a need for increasing the Budget with 150 000 US Dollar.

APPENDIX 1. LIST OF LITERATURE

- ∇ *Inception Report* MOZ 2002:1
- ∇ *LFA technique and operational long-term planning* MOZ 2002:2
- ∇ *Strategic planning for official statistics in Mozambique* MOZ 2002:3
- ∇ *Systematic Quality Work* MOZ 2002:4
- ∇ *Quarterly National Accounts* MOZ 2002:5

- ∇ *Plano Estratégico do Sistema Estatístico Nacional 2003-2007*
- ∇ *PRODOC for the Bridging Program*

APPENDIX 2 UPDATED LIST OF PLANNED SHORT-TERM MISSIONS

Date	Area	Counter		Through the Consortium	
		Part	Consultant	Yes	No
27/5 - 5/6	Strategic Planning/SEN	Mungamba	Saerbo Norway	x	
27/5 - 7/6	Strategic Planning/SEN	Mungamba	Assa Guambe		x
27/5 - 4/6	LFA planning/SEN	Mungamba	Denell Sweden	x	
29/6 - 12/7	Business Census - plan	Valeriano	Júlia Cravo Portugal		x
2/9 - 6/9	System Quality Work	Saide	Maria Zilhao Por, Bergdahl Swed	x	
16/9 -27/9	Quart National Accounts	Saide	Ola Berner Denmark	x	
16/9 - 3/10	Cost Accounting	Maringue	Kjerf, Eriksson, Jäverlind	x	
16/9 - 11/10	Internet	Salomão	Jespersen Denmark	x	
14/10 - 18/10	Business Census - proc	Valeriano	Fernando Carvalho Portugal		x
7/10 - 25/10	Bus Census - eval	Valeriano	Petersson Sweden	x	
21/10-1/11	Consumer Price Index	Firmino	Johannessen Norway	x	
11/11-22/11	PRODOC	Mungamba	Lundgren Sweden		x
15/11-29/11	Bus Census . Eval	Valeriano	Rodriguez Cap Verde		x
5/12	Steering Com Meeting	Loureiro	Consortium home office	x	
Jan-Febr	Appraisal	Loureiro	To be appointed by the Donors		x
Jan - March	Gender Statistics	Destina	Sundstrom Sweden	x	
Jan - March	IT-network admin	Salomão	Jespersen Denmark	x	
27/1-7/2	STAC I	Zeinóbio	Hemingsson/Polfeldt Sweden (1)	x	
February	STAC- Fieldwork				
3/3-14/3	STAC II	Zeinóbio	Hemingsson/Polfeldt Sweden (1)	x	
Jan - April	IAF Data Processing	Arão	Otto USA		x
Jan-April	IAF Report	Arão	Tribkorn Germany		x
Jan-April	IAF Estimates	Arão	Megill USA on distance		X
April	Foreign Trade	Azarias	Ostereng Norway	x	
April	Cost Accounting	Manuela	Kjerf/Eriksson and Jäverlind(2)	x	
Waiting list:					
	National Accounts -IT	Saide			
	Labour Statistics	Destina			
	Quality Train for managers	Saide			

Appendix 3 Financial report

BRIDGING SUPPORT PROGRAMME TO STRENGTHEN THE INSTITUTIONAL CAPACITY OF THE NATIONAL STATISTICS, MOZAMBIQUE

FINANCIAL REPORT
27th of November 2002

Table of Contents

1. Introduction
2. Financial Situation of the Programme

1. Introduction

The National Institute of Statistics developed a programme for assistance with Scandinavian Countries. Called Joint Scandinavian (Norway, Sweden and Denmark) Bridging Support Programme for 2002, the programme was designed to strengthen the institutional capacity of the National Statistics Institute of Mozambique (INE). The Contract Agreement was signed on 8th of May 2002 and the programme will last for a year.

The donor support totals about USD 3.9 million, of this amount each of the three donors will contribute with 1/3. Each donor has a separate agreement with the Government of Mozambique. Danida retains its contribution in Denmark to pay for the technical advisor (TA), and this contribution will be paid on a quarterly basis in arrears directly from Danida to the Consortium against invoices certified by INE. If an invoice from the consortium has not been certified less than 30 days after receipt, Danida may pay the Consortium with an advance to be settled later.

The Norwegian and Swedish contributions are used to cover other costs to be paid by INE directly. Upon request from INE, and following the procedures specified below, the two donors transfer these contributions to an account with Banco Internacional de Mozambique (BIM) that has been established by INE for the specific use of the programme.

Norad transferred on 8th of May to BIM, Account n. 65239582, 1,100,000USD.

Financial Situation of the Programme

The first Steering Committee meeting recommended that INE should contract an accountant to assist INE in setting up financial and accounting procedures. It was also agreed that INE would contract an auditing company to audit quarterly the accounts of the programme. The objective of the auditing would be to assist INE to identify major problems and to set up accounting procedures, according to international rules. Danida will separately pay both, the accountant and the auditing company.

According to the Government rules, INE announced in the major newspaper of Mozambique the vacancy for an accountant. INE contracted an accountant that started working on 1st of October.

INE contracted KPMG to audit the accounts of the programme. KPMG was selected among three auditing companies, namely Ernst & Young, PriceWaterHouseCooper and KPMG. The financial report of the accounts for the 3rd Quarter states that “the financial statements, which have been prepared in accordance with the accounting policies described in note 2 (see auditing report), give a true and fair view of the financial position of the project as of 30 of September 2002, and of the results of its operations for the five months period”.

The Steering Committee recommended that INE should by an accounting application software to process accounts of the programme. INE bought the application software in October.

An overall display of the funding of INE’s activities May-September is as follows in US Dollar:

Government Budget	373,350
Scandinavian Program	
Technical assistance	
Operational Activities	757,000
Equipment	189,000
TRAINING ACTIVITIES	76,000

Administrative Assistant/Support

The budget line Administrative Assistance/Support was allocated 25,000 for the whole period of the programme. The money was allocated mainly to pay the salary of the administrative assistant. At beginning of the programme were made expenditures for installation of the administrative assistant. The balance is about 7,000Usd, which is not sufficient for the remaining period of the programme. We suggest therefore to reallocate 25.000Usd from the budget line “official travels” to the budget line Administrative Assistant/Support.

Business Census and Register

It was allocated 550,000Usd for Business Census and Register. According to the budget of the Business Census and Register there is a need of additional 150.000Usd. The budget is enclosed.

Official Travels

This budget line was not used because the official travels were also financed by the Government budget. In addition, there were few official travels at INE due to Business Census Survey, Household, Strategic Planning 2003/2007 and National Statistical Planning 2003/2007.

For the rest of the activities assisted by the programme we don't foresee any problem.

COST CENTRE No	DESCRIPTION	TOTAL BUDGET	COST			BALANCE Oct/Nov-May	BALANCE May-July	BUDGET		BUDGET REALLOCATION Jan - May	NEW BALANCE Jan - May
			May-June	July-Sept	October			Nov-Dec	Jan-May		
100	Government Budget	0	0	0	0						
101	Average Annual Staff Costs	668.000	91.603	124.647		451.751					
102	Corrent Costs			0							
1021	Maintanance	127.000	60.567	35.730		30.703					
1022	Oficial Travels	193.000	6.949	6.155		179.897					
103	Investiments	537.000	24.123	23.579		489.298					
	Total	1.525.000	183.242	190.110		1.151.649					
				373.351							
200	SCANDINAVIAN SUPPORT										
201/202	Fees, Home Office	33.000	4.000	14.000		15.000					
201/202	Fees, Long-Term TA:s	667.000	43.000	164.000		460.000					
201/202	Fees, Short-Term TA:s	241.000	20.000	49.000		172.000					
201/202	Reimbursables	400.000	27.000	73.000		300.000					
203	Non Exp Equip, Long Term TA's	147.000	145.577	0		1.423		-			
204	Expandible Equip. Long Term TA's	6.000	0	0		6.000		4.000	2.000		
205	Administrative Assistant/Support	25.000	11.961	5.331	3.564	4.143		4.000	15.000		
	Sub-Total	1.519.000	251.538	305.331	3.564	958.566					
206	CWIQ	0	0	0	0	0					
207	Household Budget/Income Survey	900.000	248.450	211.870	81.039	358.641	200.000	120.000	250.000	(25.000)	533.641
208	Social And Vital Statistics	20.000	910	5.857	1.291	11.942					11.942
209	Business Census	550.000	13.291	215.961	163.477	157.271					157.271
210	Consumer Price Index	50.000	0	13.238	259	36.503		10.000	16.000		36.503
211	National Accounting	30.000	44	3.448	647	25.861			24.000		25.861
212	Current Economics Statistics	35.000	0	2.119	0	32.881			7.000	(25.000)	7.881
213	Planning and Accounting	20.000	0	6.296	3.200	10.504		5.000	5.000		10.504
214	Joint Project with SEN	45.000	32.601	2.970	0	9.430			9.000		9.430
	Sub-Total	1.650.000	295.296	461.759	249.912	643.033					643.033
215	Training Short and Long Term	213.000	21.747	35.007	5.547	150.699		50.000	50.000	50.000	200.699
216	In House Training facilities	50.000	0	835	50	49.115		50.000	-		49.115
217	Int Seminars and Workshops	50.000	2.293	15.625	4.307	27.775		10.000	15.000		27.775
	Sub-Total	313.000	24.040	51.467	9.904	227.589					227.589
218	Print Shop and Cost Consumables	150.000	350	40	2.911	146.700		130.000	16.000		146.700
219	Printing Quest and Publications	200.000	0	22.641	111.805	65.554		30.000	35.000		65.554
	Sub-Total	350.000	350	22.681	114.716	212.254					212.254
220	Official Travel	50.000	0	0	0	50.000		10.000	25.000	(15.000)	35.000
221	Maintenance Costs	10.000	764	2.656	5.370	1.209					1.209
	Sub-Total	60.000	764	2.656	5.370	51.209					51.209
	TOTAL SCANDINAVIAN SUPPORT	3.892.000	571.988	843.895	383.466	2.092.652					2.092.652
	Budget Support (203 - 221)	2.551.000	477.988	543.895	383.466	1.145.652					1.145.652

Appendix 4 Revised budget for business census

MOZAMBIQUE: BUSINESS CENSUS & BUSINESS REGISTER PROJECT				
DRAFT BUDJET				
SURVEY 1				
ITEM	Unit	Number of units	Unit cost (\$)	Total cost (\$)
1. Training of field staff				118.530,00
1.1 Transportation				27.000,00
- Trainers + Trained + others	Trips	135	200,00	27.000,00
1.2 Per diem				81.000,00
- Trainers + Trained + others	Days	1350	60,00	81.000,00
1.3 Other training cost (rent,...)				10.530,00
- Services	Days	810	3,00	3.930,00
- Lease of rooms	Days	28	100,00	2.800,00
- Pen	Number	750	1,00	750,00
- Pencil	Number	250	0,50	125,00
- Rubber	Number	250	0,50	125,00
- Reams of paper	Number	200	7,00	1.400,00
- Material Bags	Number	200	5,00	1.000,00
- Identification badges	Number	200	1,00	200,00
- Exercise books	Number	200	1,00	200,00
2. Pilot (Maputo, Cidade de Maputo e Gaza)				44.510,00
2.1. Training phase				23.020,00
2.1.1 Transportation				7.200,00
- Trainers + Trained + others	Trips	36	200,00	7.200,00
2.1.3 Per diem				15.120,00
- Trainers + Trained + others	Days	252	60,00	15.120,00
2.1.4 Fuel				700,00
- National + Provincial (10 cars)	Liters	1400	0,50	700,00
2.2. Data collection phase				21.490,00
2.2.1 Transportation				1.000,00
- Interviewers	Trips	20	50,00	1.000,00
2.2.2 Per diem				19.440,00
- Trainers + Trained + others	Days	324	60,00	19.440,00
2.2.3 Fuel				1.050,00
- National + Provincial (10 cars)	Liters	2100	0,50	1.050,00
2.2.4 Material supplies				0,00
- Questionnaire/Manual/Other printing				
- Office Supplies				
3. Field Staff and Supervision				284.880,00
3.1 Fees				37.800,00
- Interviewers (x 84)	Months	252	150,00	37.800,00
3.2 Per diem				241.080,00
- Interviewers + drivers	Days	7560	23,00	173.880,00
- Trainers + others	Days	1200	56,00	67.200,00

3.3 Transportation				6.000,00
- National Supervisors, others	Trip	30	200,00	6.000,00
4. Survey Management				34.200,00
- Data Processing Staff (x 9)	Months	54	300,00	16.200,00
- Telecommunication Staff (x 1)	Months	12	300,00	3.600,00
- Drivers (x 6)	Months	48	300,00	14.400,00
5. Technical Assistance (International)				
5.1. Fees				
- DP (permanent consultant) (1)	Months			
- Subsistence (x 1)	Months			
- Sampling consultant (1)	Months			
- Subsistence (x 1)	Months			
- Survey consoltant (1)	Months			
- Subsistence (x 1)	Months			
- Travel (x 2)	Number			
6. Equipment				117.000,00
6.1. Software	Number	1	14.000,00	14.000,00
6.2. GPS	Number	84	150,00	12.600,00
6.3. Tents	Number	50	200,00	10.000,00
6.4. Radios HF	Number	9	2.000,00	18.000,00
6.5. Radios VHF	Number	30	200,00	6.000,00
6.6. Sleeping Bags (x 100)	Number	84	100,00	8.400,00
6.7. Server	Number	1	10.000,00	10.000,00
6.8. Computer	Number	6	3.000,00	18.000,00
6.9. Other survey equipment				20.000,00
7. Material Supplies				6.500,00
7.1 Questionnaire/Manual/Other printing				
7.2 Office Supplies				
7.3 Medical kits				6.500,00
8. Operations and Maintenance				98.460,00
8.1 Gas/Fuel (6300)	Liters	63000	0,50	31.500,00
8.2 Vehicle Maintenance (x 25)	Number	25	1.800,00	45.000,00
8.4 Equip. maintenance (computers, scanners, copier..)				1.960,00
8.5 Communication (tel., fax, email..)				10.000,00
8.6 Publicity				10.000,00
9. Publications (printing)				0,00
- CD				
- Papers				
10. Misc				-4.080,00
Total				700.000,00

INT=20USD

Appendix 5 Financial Statements

Appendix 6

Steering Committee Meeting Minutes

Place: National Institute of Statistics (INE)

Time: 12 of December 2002, 10:00-12:30

Participants:

Mr. Joao Dias Loureiro, President of INE, Chairperson of the Steering Committee
Mr. Manuel da Costa Gaspar, Vice President of INE
Mr. Luis Mungamba, Director of the Bridging Support Program 2002 to Strengthen the Institutional Capacity of INE (Program)
Mrs. Manuela Xavier, Deputy Director of the Program
Mrs. Delfina Zaqueu, Assistant Administrative for the Program
Mrs. Alda Rocha, Chief of Section of External Relations.
Mr. Hans Erik Altvall, Team Leader
Mr. Thomas Thomsen, Representative of Danida
Mr. Lars Eckman, Representative of Norad
Mr Luis de Nascimento

Absences

Valeriano da Conceição Levene, Vice President of INE
Anton Johnston, Representative of Sida

Observer: Lars Erik Gewalli, Stats Denmark

Proposed Agenda:

1. Minutes of the first Steering Committee
 2. Report of the Activities
 3. Plans, Progress and Problems with Household Survey
 4. Plans, Progress and Problems with Business Census
 5. Financial Report
 6. Auditing Report
 7. Plans for the Fourth Quarter
 8. Future Plans with Proposal to Revision and Amendments
 9. Other Issues
1. The President of INE welcomed the participants to the second meeting of the Steering Committee and introduced Mr Gewalli to all participants. Points 7 and 8 of the agenda were joined to one point. Two points were added to the agenda, upon request of representative of Danida, namely:
10. PARPA Indicators
 11. Closing of the old project - Pilot Household Budget Survey

2. About Point 1

The Director of the Program presented the minutes of the first meeting of the Steering Committee. Nothing of relevance was added or changed to the minutes.

About Point 2

This point was presented by the Director of the Program. He called the attention of the participants that the report covers the 3rd quarter (July-September). The director went through the major activities and progresses with support from the Scandinavian Countries. Some problems were pointed out to the members of the committee.

The representative of Danida asked Mr. Chairperson why is INE considering the quarterly national accounts important. According to him, many developed countries don't have quarterly national accounts, which can be understood that this kind of accounts is not important. Besides, it will need resources that INE seems not to have. Answering to the question, the President of INE said that many users (Central Bank, Government, etc) are asking for the quarterly national accounts. He said that the request came from the High Council of Statistics.

Recommendations:

- § INE should recruit a local project assistant with funds through the consortium to assist TA:s with administration and interpretation.
- § INE should find a local solution and capacity for IT problems which is facing at the moment.
- § INE shall invite representatives of other major projects or programs that are assisting INE to the Steering Committee meetings. This is helpful in coordinating the technical assistance.

About Point 3

The Director of the Program presented plans and progress with Household Budget Survey. The survey started in July throughout the country. No major problems related to the Household Budget Survey was mentioned or is foreseen.

About Point 4

The director of the program also presented this point. The director informed the committee that the major activity in the third quarter has been to plan and start the Business Census. The Director of Program said that it was allocated 550.000Usd for Business Census and Register. According to a new and revised budget there is a need of additional 150.000Usd.

Mr. Thomas Thomsen, representative of Danida wanted to know how would the Business Census be transformed to business register. He wanted to know if other institutions could use the business register.

Mr. President said that due to the confidentiality issue, INE is not allowed to release the entire business register to other institutions. INE can however provide some limited information of the business register, such as name and address, branches, etc.

Mr. Thomas wanted to know whether INE used procurement rules to buy the Portuguese software for Business Census.

Mr. Chairman said that the software is used in other Portuguese speaking countries, why we know that the software is adequate for our purpose.

About Point 5

The director informed the committee the financial situation of the program. He stressed the purchase of accounting application software to process accounts of the program and the contract of an accountant to assist INE in setting up financial and accounting procedures. INE contracted KPMG, among three companies that participated in the bidding, to audit the accounts for the third quarter.

Administrative Assistant/Support and Business Census and Register have not sufficient money up to the end of the program. The steering committee approved the following suggestion of the director of the program:

- § Reallocate 15.000Usd from the budget line “Official Travels” to the budget line Administrative Assistant/Support.
- § Reallocate 50.000Usd from budget line “Training Short and Long Term” to the budget line “Business Census”.
- § Reallocate 25.000Usd from the budget line “Current economics Statistics” to the budget line “Business Census”.
- § Reallocate 25.000Usd from the budget line “Household Budget/Income Survey” to the budget line “Business Census”

Recommendations:

- § Use the remaining money, if any, from Pilot Household Budget/Income Survey
- § to reallocate the needed money to the Business Census from other budget lines.
- § Find out the procedures with the interest rates and the fees charged by the banks.

About Point 6

INE contracted KPMG to audit the accounts of the programme. KPMG was selected among three auditing companies, namely Ernst & Young, PriceWaterHouseCooper and KPMG. The financial report of the accounts for the 3rd Quarter states that “the financial statements, which have been prepared in accordance with the accounting policies described in note 2 (see auditing report), give a true and fair view of the financial position of the project as of 30 of September 2002, and of the results of its operations for the five months period”.

INE did not receive yet from KPMG the management report of the auditing. The report of the auditing will be sent later to the donors.

About Point 7 & 8

The director presented the plans for the fourth quarter with support of Scandinavian Countries and the proposal to revision and amendments. The proposals for the amendments were related to the reallocation of funds that was discussed and approved by the committee.

About Point 9

The representative of Danida suggested the revision of Poverty Reduction Plan (PARPA) indicators. According to him there are too many indicators and INE should take a leadership in defining/reducing the indicators.

The President of INE said that the PARPA indicators were already defined with INE’s participation and that they have relation with Millennium Goal. INE produces most of the information needed, but there are other indicators that are originated from administrative reports produced by line ministries. There is a feeling among users that there are many indicators, therefore we think they will be reduced.

About Point 10

Mr. Thomas wanted to know why the project of Pilot Household Survey was not yet closed. The Vice President for Demographic area, Mr. Gaspar, informed that the terms of references of the project covers the analyses and the expenses related to the analyses. According to him, this will be concluded by March. The committee agreed that the project should be closed by May 2003.

Recommendations:

- § The Pilot Household Budget Survey should be closed and audited in May 2003.

General Remarks:

The participants of the Steering Committee congratulated themselves for the good performance of the program during its 5 months of life.

Luis Mungamba

Program Director