



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
HN SUPPORTING COST OF LIVING MEASUREMENTS
APPROVED ON JULY 31, 2018
TO
REPUBLIC OF HONDURAS

POVERTY AND EQUITY

LATIN AMERICA AND CARIBBEAN

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ABBREVIATIONS AND ACRONYMS

AD	Afro-Descendant
BCH	Central Bank
CAPI	Computer Assisted Personal Interviews
ENIGH	National Survey of Income and Expenditures of Households
GA	Grant Agreement
INE	National Institute for Statistics (<i>in Spanish</i> : Instituto Nacional de Estadística)
IP	Implementation Progress
IPs	Indigenous Peoples
ISR	Implementation Status and Results Report
PDO	Project Development Objective
PIU	Project Implementation Unit
PP	Procurement Plan
TF	Trust Fund
TFSCB	Trust Fund for Statistical Capacity Building
WB	The World Bank



BASIC DATA

Product Information

Project ID P165218	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 31-Jul-2018	Current Closing Date 30-Jun-2020

Organizations

Borrower Republic of Honduras	Responsible Agency Banco Central de Honduras
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

Project Development Objective (PDO)

Original PDO

To support the production of inclusive and high quality socioeconomic indicators through innovative strategies for collection of household income and expenditure data and improvements to the household survey life cycle.



Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A8185	31-Jul-2018	23-Aug-2018	15-Oct-2018	30-Jun-2020	.49	.41	.08

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. The project is funded by the Trust Fund for Statistical Capacity Building (TFSCB) and aims to support the production of inclusive and high-quality socioeconomic indicators through innovative strategies for collection of household income and expenditure data and improvements to the household survey life cycle. The Project includes three components: Component 1: Implementing cost-effective and high-quality surveys; Component 2: Supporting inclusion through measurement; and Component 3: Supporting a culture of data transparency. The components financed by this trust fund (TF) support a larger survey collection financed by the Central Bank (BCH): The National Survey of Household Income and Expenditure (ENIGH 2020 in Spanish – Encuesta Nacional de Ingresos y Gastos de los Hogares). The BCH is funding most of the survey (about US\$ 7million), with US\$ 0.49million funded by the TFSCB resources. The Project has disbursed 83% of TFSCB resources and is rated Moderately Satisfactory in progress towards achievement of the project development objective (PDO) and in overall Implementation Progress (IP) in the latest Implementation Status and Results Report (ISR).

2. The project helps to finance and improve the ENIGH 2020, a survey that will allow the construction of a very complete database of the socioeconomic characteristics of the Honduran population. The previous ENIGH was undertaken in 1998 and is thus outdated. The new ENIGH 2020 will allow the updating of: (i) the basket of goods and services of the Consumer Price Index (CPI); the consumption component of National Accounts; and (iii) the poverty line; all of which are key indicators for any country.

3. To date the following has been achieved: training of field staff, cartography update, the Pilot Survey (using tablets for survey collection), visits and consultations with afro-descendant (AD) and indigenous peoples (IPs), preliminary communication strategy and campaign, inclusion of the departments of Gracias a Dios and Islas de la Bahía (majority-ethnic regions usually excluded from surveys), and preliminary activities related to the field work of the survey (ENIGH) during the first quarter of its execution. The survey questionnaire, the training manual, and the field work (both the Pilot Survey and the full survey) incorporate the use of Computer Assisted Personal Interviews (CAPI; i.e. tablets), which is an innovative strategy for data collection to support production of high-quality indicators and improvements in the survey life cycle. The Pilot Survey and first quarter of the survey have included Islas de la Bahía and Gracias a Dios, two departments excluded from other household surveys. Consultations with AD and IP populations have led to their inclusion among the field staff training last November and strengthened the inclusion angle of the communications strategy.

Status of Key Activities under Components:

4. Component 1 delivered: (a) training of 120 enumerators and supervisors of the ENIGH survey (Nov 6-20); (b) the Pilot Survey (Nov 23 – Dec 12); (c) 3 rounds of technical assistance by the Principal Consultant; (d) quality controls and validation of the data from the pilot survey; (e) the launch of the year-long ENIGH (Jan 12, 2020) which will be in the field until Jan 10, 2021. Component 1 remaining: (a) finishing the first quarter of the survey; (b) three more rounds of technical assistance by the Principal Consultant; (c) quality control and validation of the data from the first quarter of the survey.

5. Component 2 delivered: (a) the cartography update; (b) inclusion of Gracias a Dios and Islas de la Bahía (two departments not included in other surveys) in the pilot; and (c) consultations with AD and IPs populations. Component 2 remaining: (a) inclusion of Gracias a Dios and Islas de la Bahía in the first quarter of the survey.



6. Component 3 delivered: (a) analysis and tabulation of data from the pilot survey; (b) communications strategy and dissemination for the pilot and the launch of the full ENIGH. Component 3 remaining: (a) communications strategy and dissemination for the first quarter of the survey; (b) external audit.

7. The Project faced delays in the acquisition of goods and services undertaken with national resources since activities financed by BCH resources had to follow national processes rather than the more flexible World Bank (WB) processes. The process for hiring the survey firm and the field supervisor took longer than expected due to national processes, internal BCH processes, and as a result of a steep learning curve working with both WB and BCH processes. Although the Project Implementation Unit (PIU) is now fully staffed and all key hiring decisions are now complete, these initial delays have impacted the completion of project activities by the project closing date.

B. Rationale for Restructuring

8. A reallocation of TFSCB resources is needed due to the delays the project experienced and given the hard closing-date of the TFSCB Window (June 30, 2020). TFSCB resources are proposed to be reallocated towards outputs that can be achieved within the Trust Fund (TF) closing date, while the BCH continues to fund the rest of the project with its own resources. TFSCB resources had been allocated throughout the quarters of the survey, with corresponding larger BCH resources in each activity (almost every activity has both WB and BCH funding). The proposed restructuring of the TF resources will focus on the activities that are required in the short term. This front-loading of TFSCB resources will back-load BCH resources and allow the full use of the TFSCB funds before the Project grant closes. There is no reduction in scope of the activities of the larger ENIGH project, but the TFSCB will fund the first quarter of those activities while the BCH funds the remaining quarters.

9. Although the TFSCB resources will no longer be available after June 30, 2020, the BCH is nevertheless requesting that the WB continue to accompany the project in the future and help provide quality control and assistance.



II. DESCRIPTION OF PROPOSED CHANGES

10. The TF resources will now be front-loaded in order to use more of the trust fund resources (instead of the BCH resources) in the first quarter of the survey's execution. As mentioned above, WB TF resources will be used to undertake the Pilot Survey, the cartography update, the training of field staff, visits and consultations with afro-descendant and indigenous peoples, the communications campaign, and all activities related to the field work of the ENIGH during the first quarter of its execution, which began on January 13, 2020. Due to the front-loading, resources will be reallocated among the three components of the TF (as provided in the Components section), while maintaining the same total TF amount of US\$ 490,677. This reallocation of grant resources reflects funding of activities that can be completed within the project implementation period. There will be no reduction in the scope and design of the ENIGH project, even though some of the sub-line items will no longer be funded by the TFSCB.

Components

11. Under Component 1, more TFSCB resources (less BCH resources) will be spent on the operational expenses of the Pilot Survey and the execution of the first quarter of the ENIGH survey. On the other hand, less TFSCB resources (more BCH resources) will be spent on quality checks and validation of the data since the TFSCB will only focus on data from the Pilot Survey and the first quarter of the ENIGH (while BCH resources will finance data quality checks for quarters two through four). The overall amount of this component will therefore remain about the same.

12. Under Component 2, the amount of TFSCB resources will decrease given that the costs of including Gracias a Dios and Islas de la Bahia only in the Pilot Survey and the first quarter of the ENIGH survey is less. On the other hand, BCH resources for this component will increase to cover the required costs of including these departments in quarters two through four of the rest of the survey.

13. Under Component 3, TFSCB resources will be released from the activities "analysis and tabulation of data" and "data transparency and dissemination guidelines" which will now only be covered with BCH resources. The TFSCB resources thus released from Component 3 plus the TFSCB resources released from Component 2 (see above) will be used to increase TFSCB financing of the majority of the communications strategy (Component 3). Therefore, less BCH resources will be used for the communications strategy.

14. The proposed modification implies that some activities in the current Procurement Plan (PP) will be canceled, since some of these are scheduled to begin after the closing date of the TF. The BCH will take up the financing of these activities which were originally planned to be financed by TF resources (for example, publication of results, printing of information, and hiring of an international consultant to help with the data dissemination guides.)

15. The proposed modification also adds a new activity to the PP related to the data plans for the gathering of information using the WB's Survey Solutions system (the survey is using modern techniques, such as capturing interview information via tablets rather than paper and pencil). Around 25 percent of this activity will be financed by the WB TF (Component 1) and the rest by the BCH.

16. Lastly, the proposed reallocation would use more WB TF resources on the communications campaign (Component 3), and less BCH resources, since this is an activity that is more heavily concentrated at the beginning of the project.

17. The Grant Agreement (GA) had to be slightly revised under part 1b., 1e under section 2 and part 3 of the annex of the GA: minor parts were re-worded to refer only to the Pilot Survey and the first quarter of the ENIGH survey, since that is as far as the TF will cover. Part 3 of the annex dropped references to data transparency and dissemination guidelines as well as to carrying out a training workshop on data analysis and report writing, because these are not doable in the time remaining. Nevertheless, these remain part of the overall project and will be covered by BCH resources.



Results Framework

18. There will be no changes to the PDO, however, this restructuring will include revisions to the PDO Indicator and the Intermediate Results Indicators. The Results Framework has been revised in order to reflect what is achievable within the remaining project implementation period. The changes are the following:

Original	Revised
Publication of ENIGH methodology and statistics of income and expenditure patterns of households (in .csv format or equivalent on the BCH or INE’s web page)	Creation of ENIGH methodology and statistics of income and expenditure patterns of households (in .csv format or equivalent)
Intermediate Indicators	
Share of households in the sample that responded to the ENIGH 2019-2020 using CAPI	Share of households in the sample that responded to the ENIGH 2019-2020 Pilot using CAPI
Published document with a comparative analysis of the income and expenditure patterns of households in Gracias a Dios and Islas de la Bahía relative to national averages	Preliminary document with a comparative analysis of the first-quarter income and expenditure patterns of households in Gracias a Dios and Islas de la Bahía relative to national averages
Transparency and data dissemination guide of the published ENIGH 2019-2020, including the components of an evaluation according to the General Data Dissemination System (GDDS)	Implemented media strategy for the Pilot Survey and for the first quarter of the ENIGH
Data lab in the public library of the Honduran Central Bank that grants access to anonymized microdata of the ENIGH 2019-2020	Data lab in the public library of the Honduran Central Bank that grants access to anonymized microdata of available waves of the ENIGH
ENIGH 2019-2020 databases are shared within the government, including the National Statistics Institute, Ministry of Government Coordination, and Ministry of Labor	Dropped



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

Creation of ENIGH methodology and statistics of income and expenditure patterns of households (in .csv format or equivalent)

Unit of Measure: Text



Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	base year for the statistics: 1998-1999		base year for the statistics: 2019-2020	Revised
Date	01-Jun-2018		30-Jun-2020	

Intermediate Indicators

Share of households in the sample that responded to the ENIGH 2019-2020 Pilot using CAPI Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		75.00	Revised
Date	01-Jun-2018		31-Jan-2020	

Preliminary document with a comparative analysis of the first-quarter income and expenditure patterns of households in Gracias a Dios and Islas de la Bahía relative to national averages Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00		1.00	Revised
Date	01-Jun-2018		30-Jun-2020	

Implemented media strategy for the Pilot Survey and for the first quarter of the ENIGH Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No		Documentation of implemented media strategy	Revised
Date	01-Jun-2018		30-Jun-2020	

Data lab in the public library of the Honduran Central Bank that grants access to anonymized microdata of available waves of the ENIGH Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action



Value	No	Access to the microdata of the ENIGH through the Data Lab of the CBH	Revised
Date	01-Jun-2018	30-Jun-2020	
ENIGH 2019-2020 databases are shared within the government, including the National Statistics Institute, Ministry of Government Coordination, and Ministry of Labor			
Unit of Measure: Text			
Indicator Type: Custom			
	Baseline	Actual (Current)	End Target
Value	base year for the statistics: 1998-1999		base year for the statistics: 2019-2020
Date	01-Jun-2018		30-Jun-2020
			Action
			Marked for Deletion

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: Implementing cost-effective and high-quality surveys	283070.00	Revised	Component 1: Implementing cost-effective and high-quality surveys	286076.61
Component 2: Supporting inclusion through measurement	126447.00	Revised	Component 2: Supporting inclusion through measurement	61599.91
Component 3: Supporting a culture of data transparency	81160.00	Revised	Component 3: Supporting a culture of data transparency	143000.48
TOTAL	490,677.00			490,677.00