

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC24310

Project Name	West Africa Survey Harmonization Project (P153702)
Region	AFRICA
Country	Africa
Sector(s)	Public administration- Information and communications (55%), General agriculture, fishing and forestry sector (20%), General education sector (10%), Health (10%), General energy sector (5%)
Theme(s)	Economic statistics, modeling and forecasting (100%)
Lending Instrument	Investment Project Financing
Project ID	P153702
Borrower(s)	West African Economic and Monetary Union
Implementing Agency	West African Economic and Monetary Union
Environmental Category	C-Not Required
Date PID Prepared/ Updated	24-Oct-2015
Date PID Approved/ Disclosed	31-Oct-2015
Estimated Date of Appraisal Completion	11-Dec-2015
Estimated Date of Board Approval	15-Jan-2016
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Regional Context

1. The eight member states of the West African Economic and Monetary Union (WAEMU) are addressing some of the most pressing and intractable development challenges. The WAEMU is a regional organization established in 1994 to deepen economic integration in West Africa. Its member states Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo face some of the most tedious and urgent development challenges. All WAEMU nations except Senegal and Côte d'Ivoire (which are lower middle income countries) belong to the group of low income economies. Per capita GDP varies from \$ 415 (current US\$) in Niger to four times as much (\$ 1,529) in Côte d'Ivoire. Three members (Mali, Burkina Faso and Niger) are located in the Sahel; four countries are classified as fragile (Côte d'Ivoire; Guinea-Bissau; Mali and Togo); two were

affected by a conflict or coup d'état in the past three years (Mali; Burkina Faso), there is continued insecurity in Mali and all face serious challenges reducing poverty. With a total population in 2014 of 106 million, 43 million live below the extreme poverty line. Not only are levels of poverty high on average, within countries there are large variations. The coastal WAEMU members (Benin, Togo, Côte d'Ivoire, Guinea-Bissau and Senegal) are affected by patterns of development that are very unequal, with growth occurring at the coast and with pockets of deep poverty away from the sea; the Sahelian countries face their own diversity with large sub-populations that are nomadic or semi-nomadic and hard to reach for public service delivery.

2. Reducing poverty in a setting with so many challenges requires informed policy making; limited budgets make it even more critical that the correct policies are selected and that their implementation is effectively monitored. Reliable statistics are instrumental to this. They describe the reality of people's everyday lives and tell where the poor are, why they are poor and what their lives are like. They highlight where resources are most needed, and provide the means to track progress and assess the impact of different policies. Statistics are essential to manage the effective delivery of basic services: how else to know where to build the next school or whether girls are as successful at school as boys? Good statistics improve the transparency and accountability of policy making, both of which are essential for good governance, by enabling electorates to judge the success of government policies and to hold their government to account for those policies

3. The importance of statistics –as well as the need to be efficient and cost-effective when it comes to collecting data, is recognized in the region and by the WAEMU Commission. All WAEMU members subscribe to the GDDS and have prepared National Statistical Development Strategies that are being implemented. At the regional level, statistical harmonization efforts are coordinated by the WAEMU Commission. To facilitate regional economic integration work has been ongoing to make GDP comparable, to harmonize price indices, to unify the reporting of financial and budgetary statistics and to improve social statistics. These efforts are paying off. Not only is statistical capacity in the zone higher than in sub-Saharan Africa on average, since 2010 there has been a notable improvement in the statistical capacity indicators of most WAEMU member countries.

4. Despite significant efforts to improve statistical capacity, many areas of statistics remain weak, including living conditions surveys. Well-designed surveys are critical to any statistical system. As national and regional economic policies and complex interactions among various sectors of the economy make it imperative to build up macroeconomic planning models, living conditions surveys provide much of the statistical information needed (consumption; labor supply; non-agricultural household enterprises; input parameters for agricultural production). For the monitoring of inflation, information is needed on the composition of consumption, information that is collected by living conditions surveys. Living conditions surveys are also critical in offering social statistics: statistics on education; health indicators; population characteristics; sanitation and water supply indicators; and poverty statistics all come from well-designed living conditions surveys.

5. The Regional Statistical Program (PSR 2015 – 2020) identifies social statistics and information on household living conditions and sources of income as one of the two areas in which statistical information in the WAEMU region needs to be improved. The program was adopted by the WAEMU member states in July 2015. The other area in which improved statistical information is sought is on external trade (in services in particular).

Sectoral and Institutional Context

6. Founded in 1994, the eight WAEMU countries share a common currency, the West African CFA Franc, monetary policies and French as official language, except for Guinea Bissau which is a Portuguese speaking country. The objective of the Union is to promote regional economic integration and particularly greater economic competitiveness; the convergence of macro-economic policies and indicators; the creation of a common market; the coordination of sectoral policies and the harmonization of fiscal policies. Amongst its achievements, the Commission has successfully implemented macro-economic convergence criteria and an effective surveillance mechanism. It has adopted a customs union with a common external tariff and has combined indirect taxation regulations, in addition to initiating regional structural and sectoral policies.

7. To implement its policies, the WAEMU Commission needs data that is comparable across its member states. As this is often not the case, the WAEMU Commission has put much emphasis on data harmonization. Already the WAEMU Commission has successfully initiated the harmonization of price data collection leading to the availability of comparable inflation data for its member countries. It has also harmonized national accounts statistics, the nomenclature for public financial management and implemented harmonized informal sector surveys across its member states.

8. To strengthen its statistical agenda, the WAEMU Commission has created, in 2013, a Regional Statistical Committee. This Committee oversees the exchange of statistical information across its member states. The Committee is facilitated by a Statistics Unit housed at the WAEMU headquarters in Ouagadougou, Burkina Faso. Its work program is guided by the Regional Statistical Program (PSR 2015-2020) adopted in July 2015 by the various member states.

9. Despite numerous country-level efforts by governments and the international community, living conditions surveys are not implemented regularly; nor are they comparable over time or across countries. Moreover, many of the latest developments in survey design (modular, multi topic questionnaires) and implementation (use of CAPI and GPS) are not being implemented systematically. For instance the typical living conditions survey in the WAEMU member states collect welfare correlates (consumption, health, education) but collect limited information explaining how income is generated (labor income; self-employment in non-agricultural sectors; agriculture). In addition, Computer Assisted Personal Interview (CAPI) software is not used systematically, limiting opportunities for supervision and increasing non-sampling errors in data collection.

10. Comparable data at the WAEMU level requires a modern and coherent system of living conditions surveys implemented by national statistical offices and coordinated by the WAEMU Commission. Monitoring living conditions and sources of income using surveys is complex and costly and many governments prefer to rely on donors to fund data collection. This, in turn, leads to a situation where donor preferences are reflected in survey design (consumption necessary for poverty measures, yes; agriculture no) and makes it difficult to maintain comparability between surveys; methodologies change depending on donor staff and priorities. In addition, because human resources are limited, some information is not collected at all (information related to agriculture for instance) while poverty indicators are not always produced in a timely manner. Data are not always

adequately analyzed, archived and disseminated. As this is the case, it strengthens decision makers in the conviction that living conditions surveys do not provide value for money, thus leading to a vicious cycle of limited funding leading to statistics which are not always of good quality and poor quality statistics sustaining low funding. In their various NSDS strategies, countries have indicated the desire to break this vicious cycle, but doing so on a country by country basis has proved to be difficult. This is where the WAEMU Commission comes into play. As a supra-national regional body the WAEMU Commission is an important user of statistics which is able to mandate activities or approaches without a loss of a sense of country ownership. Already under the leadership of the WAEMU Commission price statistics, national accounts and financial statistics have been successfully harmonized.

11. Realizing the critical nature of living conditions surveys to their statistical systems and in view of the mandate and capacity of the WAEMU Commission to coordinate and oversee harmonized approaches to data collection, member states through their National Statistical Institutes (NSIs) have asked the Commission to initiate a program leading to the modernization of living conditions surveys. The WAEMU Commission subsequently requested the World Bank (as the international guardian of living conditions surveys) to support an initiative to improve the approach to living conditions surveys. A coordinated regional approach is attractive as it will allow setting a common methodological standard and prescribing a minimum periodicity that needs to be attained. The objectives of this program – reflected in the Regional Statistical Program - are to enhance efficiency, comparability (over time and across countries) and regularity of living conditions surveys, as well as to enhance timeliness and data access while collecting data that are critical to monitoring poverty and its key determinants (education, agriculture, the informal economy; labor supply; household consumption).

12. Improved welfare data will be used to facilitate regional economic integration; to monitor key social indicators; to expand the coverage of the CPI to rural areas; to update the supply and use tables that underlie national accounts and to collect high quality, comparable, data on the informal sector and agriculture. The project will introduce the latest standards in survey methodology: modular approaches that allow for flexibility; questions that allow for gender disaggregation; standardization that ensures comparability; the preparation of sample frames to enable high frequency follow-up data collection using mobile phones. The project will also introduce the latest technologies for data capture including in-field data entry using CAPI; the use of global positioning systems and real-time consistency checks. Not only will the project modernize the approach to living conditions surveys, it will build capacity in data collection, analysis and dissemination and seek ways to secure long-term funding so as to create a system that will be sustained once the project has been completed.

13. A regional investment operation will strengthen the capacity for welfare and income data collection, and dissemination and modernize the approach to welfare data collection by setting up-to-date standards for survey instruments (over time and across countries); using new technologies and allowing for greater flexibility, regularity and timeliness. The project aims to strengthen capacity at the WAEMU Commission and the eight WAEMU member states through a learning-by-doing approach to data collection. The project provides assistance in ways that reflect differing country needs and capacities (Guinea-Bissau needs more support than Niger; Côte d'Ivoire or Senegal can offer horizontal technical assistance by sharing for instance their experience with CAPI with other member state NSIs). A regional approach has several advantages. By working through the WAEMU Commission the demand for quality statistics is sustained. A regional approach brings

efficiency gains, as it allows setting common methodological standards, and enhances data comparability and data dissemination. A regional approach unlocks new opportunities for financial sustainability and, finally, facilitates south-south learning and peer review.

Relationship to CAS

14. The project is aligned with the post-2015 development agenda. By proposing to modernize the collection of welfare and income data starting in 2016 and by producing harmonized poverty and (selected) SDG estimates, the project is aligned with the post-2015 development agenda (adopted in September 2015) and the World Bank's twin goals of fighting poverty and fostering shared prosperity, and particularly its intention to closely monitor progress towards achieving these goals end by ending data deprivation. Within the Africa region, the project is aligned with the World Bank Strategy for Africa and its objective to accelerate Africa's economic transformation. This strategy recognizes the need for "building and strengthening statistical capacity [...] as a long-term undertaking".

15. The project helps implement the Regional Integration Assistance Strategy for Sub-Saharan Africa (RIAS). The RIAS is organized around three main pillars: (a) regional infrastructure, (b) institutional cooperation for economic integration, and (c) coordinated interventions to provide regional public goods. This project contributes to attaining the second and third pillar by collecting data that facilitates the WAEMU Commission in achieving its objective of strengthening regional economic integration, while by making the collected data publicly available, an important public good is being provided. By providing data that is critical to national and regional level planning and monitoring, the project is also instrumental to attaining one of the additional objectives of the RIAS namely, strengthening the connection between regional policy commitments and national planning.

16. The project reflects priorities emphasized in World Bank country strategies for the various WAEMU member states. Invariably their CASes (Country Assistance Strategy), CPSEs (Country Partnership Strategy) and ISNs (Interim Strategy Note) identify weaknesses in statistics as a problem for the effective monitoring of PRSP implementation. For instance the Benin Country Partnership Strategy for the period FY13-FY17 identifies under the component on Governance and Public Sector Capacity the need to provide technical assistance and capacity building to the National Institute of Statistics and Economic Analysis (INSAE). For Niger, the Country Partnership Strategy for the period FY13-FY16 identifies the need to support the National Institute of Statistics to boost capacity in the collection of quality living conditions survey data and monitoring of service delivery.

17. The project is equally aligned with the regional statistical program (2015-2020) for the WAEMU member states. This program which was adopted by the eight member states in July 2015, has four axes: (i) consolidate gains realized in statistical harmonization; (ii) improve statistics related to trade; (iii) improve social statistics, particularly through a 1-2-3 type household survey and (iv) strengthen coordination amongst member states and with regional and international bodies. This project allows the operationalization of the third axis (the modular living conditions survey that is envisaged is of the 1-2-3 type), while it reinforces the fourth.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The objective of the project is to support the WAEMU Commission at strengthening the capacity of

its member countries to conduct living conditions surveys that meet harmonized, regional standards and approaches and that use computer assisted interview technologies and to make the collected micro-data publicly available

Key Results (From PCN)

PDO Level Results Indicators

- a. Number of WAEMU member countries that completed a 2nd living conditions survey according to harmonized, regional standards by May 2020;
- b. Number of WAEMU member countries that has planned a third living conditions survey according to harmonized, regional standards funded by sources other than from this project;
- c. Percent of WAEMU member countries which completed the collection of harmonized living conditions surveys that made the anonymized micro-data available to the public through the WAEMU website.

III. Preliminary Description

Concept Description

Survey instruments differ across the WAEMU countries making it difficult to get consistent poverty and social indicators (temporally and spatially). Survey instruments also lack detailed information about income processes, hampering the understanding of the drivers of poverty reduction. The project will assist the WAEMU in facilitating (financially, by setting standards and through capacity building) its member states with the collection of household survey data which permit the generation of harmonized poverty and social indicators. WAEMU will also facilitate data analysis in order to better inform the implementation, monitoring and evaluation of public policies and programs.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		x	
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	40.50	Total Bank Financing:	40.50
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			40.50
Total			40.50

VI. Contact point

World Bank

Contact: Johannes G. Hoogeveen
 Title: Lead Economist
 Tel: 473-1669
 Email: jhoogeveen@worldbank.org

Borrower/Client/Recipient

Name: West African Economic and Monetary Union
 Contact: Bakary Sacko
 Title: Chief
 Tel: 226-50-328770
 Email: bsacko@waemu.int

Implementing Agencies

Name: West African Economic and Monetary Union
 Contact: Bakary Sacko
 Title: Chief
 Tel: 226-50-328770
 Email: bsacko@waemu.int

VII. For more information contact:

The InfoShop
 The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 458-4500
 Fax: (202) 522-1500
 Web: <http://www.worldbank.org/infoshop>