

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC52317

Project Name	Palestine PECS 2016/17
Region	MIDDLE EAST AND NORTH AFRICA
Country	West Bank and Gaza
Sector(s)	Central government administration (30%), General public administration sector (30%), Other social services (40%)
Theme(s)	Economic statistics, modeling and forecasting (30%), Poverty strategy, analysis and monitoring (50%), Social Protection and Labor Policy & Systems (10%), Conflict prevention and post-conflict reconstruction (10%)
Lending Instrument	Lending Instrument
Project ID	P158633
Borrower Name	Palestinian Central Bureau of Statistics
Implementing Agency	Palestinian Central Bureau of Statistics
Environment Category	C - Not Required
Date PID Prepared	16-Dec-2015
Estimated Date of Approval	31-Jan-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The Palestinian economy was slowing down even before the eruption conflict in Gaza in early 2014. Following a period of sustained economic recovery during 2007 to 2011 when average yearly growth exceeded 8 percent, the economy has been struggling. The decline started in 2012 when the overall growth rate halved, falling to about 6 percent as a result of a sharp drop in foreign aid. This, against a backdrop of ongoing Israeli restrictions and high political uncertainty, led to a significant fall in public and private consumption which caused growth rates to continue their decline, down to only 1.9 percent in 2013. The economic situation significantly deteriorated in 2014. The sharp drop in Gaza's growth was primarily caused by the closures of the tunnels with Egypt, which represented the main trade channel for imports and exports for Gaza.

The economic decline is resulting in growing unemployment. Unemployment reached 26 percent by the middle of 2014: 16 percent of the workforce in the West Bank and a staggering 45 percent in Gaza. At 40 percent each, women and youth have particularly high levels of unemployment. What is more, almost 23 percent of the workforce is employed by the public sector, an uncommonly high proportion that reflects the lack of dynamism in the private sector.

Even though the Palestinian economy has made considerable progress towards the twin goals of eradicating extreme poverty and shared prosperity, challenges remain both on poverty and

inequality. The share of people living on less than US\$1.25 a day is less than 1 percent and between 2004 and 2009 (the latest period where numbers are available), the annual per capita income growth of the bottom 40 percent of the population slightly outpaced the average per capita income growth. However, the \$1.25 poverty line is not appropriate for the Palestinian situation, as evidenced by 25.8 percent living in poverty in 2011 (latest data available) according to the national, basic-needs based poverty line. In addition, a GINI coefficient of 40.3 percent indicates a significant level of income inequality in the Palestinian territories.

Sectoral and Institutional Context

The Palestinian Central Bureau of Statistics (PCBS) conducted the first household expenditure and consumption survey in 1995/96. Since then, PCBS has tried to maintain an annual series which was only interrupted by the eruption of conflicts. This effort has resulted in eleven fruitful rounds of the Palestinian Expenditure and Consumption Survey (PECS) for years 1996-1998; 2001; 2004 up to 2011/12. This survey is very comprehensive and gathers information beyond consumption and expenditure like education, health, labor market status and social welfare programs which is representative at region (i.e. West Bank and Gaza Strip) and locality (i.e. urban and rural).

The findings of these surveys constituted a solid database and enabled PCBS to publish detailed statistics regarding expenditure, consumption patterns, and individuals' and households' incomes by different sources. It also helped on measuring poverty from a monetary and non-monetary viewpoint, as well as assessing copying mechanisms implemented by families living in a fragile environment. Furthermore, this survey has also contributed to the estimation of the Gross National Product (GNP), improvement of a new Consumer Price Index (CPI) and provided necessary evidence for formulating national policies at various levels.

PCBS has always provided public access to the data which is unique in the Middle East and North African region. As a result Palestine has been up-to-date as one of the few MENA countries which is part of the Global database – POVCALNET -

Relationship to CAS/CPS/CPF

This work is fully aligned with the original CAS Pillar 1 of "Strengthen the institutions of a future state to ensure service delivery to citizens", and in particular Outcome 1.2 "Improved access to services by the poor and marginalized". This activity is fully aligned with these objectives for the remaining period of the CAS, in particular, to deliver basic public services, especially in areas where the security threat has diminished, to reduce poverty and enhance citizen's trust in government institutions. By providing the most recent estimates for poverty in this rapidly evolving context.

II. Project Development Objective(s)

Proposed Development Objective(s)

The PDO of this grant is to support Palestinian Central Bureau of Statistics (PCBS) in conducting the next round of Palestinian Expenditure and Consumption Survey (PECS). The original intended PECS survey in 2015 has faced severe budget constraints. Despite PCBS's readiness to implement the full survey by revisiting questionnaires, sampling design and piloting; PCBS has been unable to go to the full implementation stage. This puts at risk the ability to run the full survey on time in 2016 which is already several months delayed.

Key Results

- 1- Release of PECS 2016/17
- 2- Main report (tabulation)

III. Preliminary Description**Concept Description**

The Palestinian Central Bureau of Statistics (PCBS) conducted the first household expenditure and consumption survey in 1995/96. Since then, PCBS has tried to maintain an annual series which was only interrupted by the eruption of conflicts. This effort has resulted in eleven fruitful rounds of the Palestinian Expenditure and Consumption Survey (PECS) for years 1996-1998; 2001; 2004 up to 2011/12. PCBS has always provided public access to the data which is unique in the Middle East and North African region. As a result Palestine has been up-to-date as one of the few MENA countries which is part of the Global database – POVCALNET -

The findings of these surveys have constituted a solid database and have enabled PCBS to publish detailed statistics on expenditure and consumption of households as well as have helped on measuring and monitoring poverty. However, in 2014/15, the National Poverty Commission defined a multidimensional poverty concept for the case of Palestine. This fact has revealed the need to shed light on Palestinian households' poverty status across several welfare dimensions. PCBS jointly with Economic and Social Commission for Western Asia (ESCWA) and the National Poverty Commission, designed the methodological framework needed to measure poverty in a multidimensional context as well as improvements in PECS's questionnaire to capture additional indicators to measure particularly social well-being. PECS will continued to be the used as the main data source for poverty measurement in every dimension.

The pilot of the survey has been conducted since October 2015 and it will be finished by December 2015. The main purpose is to identify deficiencies in the questionnaire as well as to ensure solid procedures for technical implementation and logistics. The pilot has been carried out at national level covering West Bank, including Jerusalem; and the Gaza Strip. The total sample covered on this phase is 500 households.

The survey is planned to be conducted from March, 2016 until March, 2017. The intended sample size will be around 4,700 households which will be distributed on about 391 enumeration areas stratified by region: the West Bank (divided by North, Middle and South), and Gaza Strip; and type of locality: rural, urban and refugee. Each area will have twelve households.

For more details please see the supplementary concept note attached to this package.

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:	0.7	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Trust Fund for Statistical Capacity Building			0.7

VI. Contact point

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