

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

Report No.: PIDC63379

Project Name	Collection, Analysis and Dissemination of Household Survey Data in Namibia
Region	AFRICA
Country	Namibia
Sector(s)	General public administration sector (100%)
Theme(s)	Economic statistics, modeling and forecasting (50%), Other economic management (50%)
Lending Instrument	IPF
Project ID	P159953
Borrower Name	Namibia Statistics Agency
Implementing Agency	Namibia Statistics Agency
Environment Category	C - Not Required
Date PID Prepared	08-Jun-2016
Estimated Date of Approval	15-Jul-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Political stability, sound economic management, moderate economic growth, and a sustained fiscal commitment to social programs have helped Namibia confront developmental challenges since independence in 1990. Notable progress has been made in reducing poverty albeit with variations across the country's 14 regions. Using the national poverty line of N\$ 377.96, the Namibia Statistics Agency (NSA) reports that 28.7 percent of Namibians were poor in 2009/10, following a 9.0 percentage point fall from 37.7 percent in 2003/04. In addition, the country has made strides in improving its human development record via improving citizens' access to basic public services. Notwithstanding quality issues, access to basic education, primary health care services, and safe water has grown and become more equitable since independence. Owing to these improvements, Namibia's score for the United Nations (UN) Human Development Index (HDI) for 2014 was 0.628, a clear improvement from a score of 0.578 in 1990. This placed the country in the medium human development category. It ranked 126 out of 188 countries and territories. These improvements have been supported in part by a comprehensive and entirely government-funded social protection system. The system targets vulnerable citizens, including the elderly, the disabled, orphans and war veterans, as well as national maternity and sick leave, and medical benefit programs to workers.

Despite the progress, however, daunting challenges for poverty reduction and shared prosperity remain. In particular, the relatively strong economic record that Namibia has been experiencing has

not been sufficient to adequately deal with the challenge of poverty, inequality, and unemployment. The poverty rates are relatively high for an upper middle income country: World Bank calculations show that 19.7 percent of the population lived on less than \$1.9 a day in 2015. The corresponding rate at the \$3.1 a day international poverty line was 42.9 percent in 2015. Further, growth has not been accompanied by high employment creation, making unemployment a major development challenge. The 2014 Labor Force Survey reports an unemployment rate of 28.1 percent in 2014. At 39.2 percent, unemployment is highest among the youth. The other challenge is that most of the employed (31.4 percent) are in agriculture, forestry and fishing which is a low productivity sector. In addition, 47.1 percent of employed persons are in the informal sector which makes them susceptible to income insecurity and vulnerability. Income inequality remains quite high despite efforts to expand ownership of assets such as land, companies and financial assets. Latest World Bank estimates based on available data show that Namibia has the second most unequal distribution of income in the world (after South Africa). Overall, Namibia faces two major challenges: transforming the economy to put it on a trajectory of faster and more inclusive growth, and improving policy implementation and public service delivery.

The fourth National Development Plan (NDP4) acknowledges the need to improve execution of development plans through strengthening the national statistics system. This is expected to enhance statistical quality, tighten linkages between budgets and NDPs, and improve systems for reporting, monitoring, and evaluation of NDP4 performance. The adoption of the new Sustainable Development Goals (SDGs) underscores the importance of strong statistical systems that produce quality and timely data as this will be used to track and monitor progress towards the country's attainment of SDGs. Household level surveys gain particular importance here as they are the cornerstone of not only effective design and monitoring of development programs, but also for sustainably monitoring the twin goals of poverty reduction and shared prosperity.

While there is no doubt that Namibia has continuously improved its statistical systems in order to support a wider monitoring and valuation system in the country, there are still challenges affecting the statistics system which the proposed project seeks to help tackle. First, the Namibia Statistics Agency (NSA), which has the responsibility to provide official statistics, is a young agency established in 2011. The agency is thus still developing capacity to ensure quality and timely statistics and analytical products. Second, the quality and frequency of data collection, particularly for households surveys, needs to be improved. While the quality issues around Labor Force Survey data have been resolved, more still needs to be done with respect to survey data including the Namibia Income and Expenditure surveys (NHIES). Although there are plans to make the NHIES the main source of data to track and measure poverty and inequality in Namibia more frequent, only four NHIES surveys have been conducted in the last 20 years: in 1993/94, 2003/04, 2009/10, and the most recent (2015/16) is was completed in the first quarter of 2016. In fact, the NSA has indicated plans to develop a high frequency data system (quarterly, monthly, daily data). Third, as the country's development trajectory changes, the demand for NSA's services and products evolves in some cases to areas not previously (fully) explored by the agency. Specific to the proposed project, issues of household indebtedness and financial inclusion have become more relevant over the years. This means special and expanded modules are needed to collect household level data and information that can enhance an understanding of such issues especially in so far as they impact poverty and inequality. Further, there is need for continual building of NSA's capacity to improve household survey methods, to subject collected data to thorough quality checks, in addition to their and other government agencies' capacity to analyze data. Hence

NSA's request for this grant. It is important to note that the NSA was involved in the drafting of this proposal, which demonstrates their demand, interest, commitment, and ownership of the proposed project.

Sectoral and Institutional Context

The Namibia Statistics Agency (NSA) has the responsibility to provide official statistics in Namibia. The Statistics Act of 2011, Act No 9 has established the NSA as an autonomous public office assigning it the mandate to provide official demographic, social and economic statistics and to coordinate statistical activities within the National Statistical System (NSS). Since its establishment, the NSA has carried out Labor Force Surveys, Agricultural Surveys, and National Household Income and Expenditure Surveys. The NSA is also responsible for compiling national accounts and price statistics and conducting censuses and surveys, including large scale household-based and establishment-based surveys, and population censuses.

The World Bank has been working with the Government of Namibia (GRN) to overcome inadequacies in data, statistics, modeling, and monitoring systems that have constrained the government's ability to design and implement public policies. In this regard, the NSA has benefited from the Bank's statistical capacity building program in producing statistical information needed for monitoring the fourth National Development Plan (NDP4) implementation (including data related to tourism, regional trade logistics, and competitiveness) as well as technical support with routine statistical outputs (e.g., international trade reports, input-output tables, labor force statistics).

In its mandate to coordinate the NSS, the NSA has been receiving a lot of requests from government departments and agencies to address specific topics in a more detailed manner. These requests typically reflect the challenges and opportunities that the country faces as it evolves in terms of socio-economic development. Specific to this project, the NSA has been asked to collect more detailed information of the extent and implications of household indebtedness as well as financial inclusion. As the country's financial system develops, it is imperative to understand how inclusive the system is as well as to be aware of the associated consequences (for instance in terms of indebtedness).

In addition, the NSA has been receiving requests from line departments and other government agencies for training on the use and analysis of data that the NSA collects. The Ministry of Gender Equality and Child Welfare (MGECW), for example, requested technical support from the NSA in conducting a study on the impacts of social grants on the wellbeing of children in Namibia. Such support and training is part of promoting evidence-based policy making. The NSA would need to continually strengthen their own capacity in order to offer such training.

The broad objective of this project is, thus, to provide financial and technical assistance to the NSA for the collection and analysis of household survey data. The specific objectives are threefold: First, to pilot a Household Indebtedness and Financial Inclusion Survey. This will cover the theoretical underpinnings of concepts on household indebtedness and financial inclusion, the identification of indicators relevant to Namibia, the development of survey instruments, and implementation of the survey. Second, the project will conduct a quality assessment, validation, and evaluation of the 2015/16 NHIES data, including post-field assessment/evaluation of the implementation of the

survey. Third, the project will build and enhance the agency's analytical capacity through technical assistance and training to analyze NHIES data.

Relationship to CAS/CPS/CPF

The 2014/17 Namibia Country Partnership Strategy, in line with the NDP4, seeks to improve execution of development plans by strengthening the national statistics system in order to enhance statistical quality, tighten linkages between budgets and NDPs, and improve systems for reporting, monitoring, and evaluation of NDP4 performance. Accordingly, the CPS has a statistical capacity building program which includes both the collection and use of statistics for evidence-based policy making. The program is informed by stakeholders' consultations which indicated that data limitations often compromise the effectiveness of government policies. Stakeholders pointed to the need to ensure regular production of statistics that are of high quality and widely disseminated. The statistical capacity building program is expected to help improve the government's ability to design and implement public policies.

II. Project Development Objective(s)

Proposed Development Objective(s)

The broad development objective of this project is to improve the collection, analysis, and dissemination of household survey data in Namibia. The specific objectives of the grant are threefold: (i) to introduce and pilot a Household Indebtedness and Financial Inclusion survey, (ii) to conduct quality assessment, validation, and evaluation of the 2015/16 NHIES data, including post-field assessment/evaluation of the implementation of the survey, (iii) to build and enhance the agency's analytical capacity through technical assistance and training to analyze NHIES data.

As a relatively young agency established in 2011, the agency is still developing capacity to ensure quality and timely statistics and analytical products. The NSA has requested the Bank to assist in building this capacity. Specific challenges that affect NSA as they build capacity include the need to improve the quality and frequency of data collection, particularly for household surveys. Currently, the NHIES was last conducted in 2009/10 although the most recent (2015/16) was completed in the first quarter of 2016.

Key Results

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The main expected outcomes of the project are timely availability of the pilot Household Indebtedness and Financial Inclusion Survey data. In addition, a quality assessment and validation report of the 2015/16 NHIES will be produced, along with a survey methodology and administrative report. Further, the project will result in improved capacity by the NSA not only to design, collect, and process household surveys in a timely and cost-effective manner, but also to produce analytical outputs using the household survey data that they collect.

The key results of the project include:

1. Timely availability of Pilot Household Indebtedness and Financial Inclusion Survey data. The project will ensure the NSA adopts best practices that support more cost effective survey design, implementation, and data collection. The project will ensure that data from these household surveys are published in a timeous manner. Specifically, full documentation of the survey will be compiled and the electronic micro-data sets disseminated within 12 months of the completion of the surveys, in line with best practices.
2. A Household Indebtedness and Financial Inclusion report. Linked to the first specific objective, a report will be produced from the data and this will measure the levels of household indebtedness and financial inclusion; describe the type of financial products and services used by individuals that are financially included; identify the factors that drive or constrain household indebtedness and the usage of financial products and services; and examine the impact of poverty on household indebtedness and financial inclusion and vice versa, that is, the extent to which indebtedness and financial inclusion impact poverty. It is envisaged that the report will contribute to policy dialogues around public and private sector interventions to deal with challenges of household indebtedness as well as to increase and deepen financial inclusion with the strategic objective to reducing poverty and inequality.
3. A Data Quality Assessment and Validation report for the 2015/16 NHIES. Linked to the second objective, the report will summarize findings of the 2015/16 data quality assessment, identify data gaps and best practices in the current NHIES and propose various recommendations, in line with current international best practices, on ways to improve the quality of the data as well as the breadth of indicators or information collected through the NHIES. The report will assess the extent to which the NHIES meets the standards set by the Data Quality Assessment Framework (DQAF), the Data Collection Processing and Dissemination Policy and Practice as well as the Code of Practice: Professional and Ethical Standards Applicable to Statistics Producers issued by the NSA in January 2015 in the Government Gazette.
4. A Survey Methodology and Administrative report for the 2015/16 NHIES. Linked to the second objective, the report will document how the implementation of the survey was done in all stages of the survey from planning, field operations, data processing (including data management), data analysis and report writing. It will provide recommendations on areas that need improvement and adjustment for the next NHIES that is planned to take place during the 2018/19 financial year.
5. Production and dissemination of analytical outputs based on the 2015/16 NHIES data. A report will be produced which will present the key findings on poverty and inequality in Namibia. In addition, the report will discuss the development of the poverty lines, the design and implementation of the 2015/16 NHIES. Additional analytical outputs will include a poverty and inequality assessment report which examines the state of poverty and inequality in the country, and identifies the drivers and barriers to poverty and inequality reduction; a report on multidimensional poverty in Namibia; a poverty map of Namibia; a child grant assessment report in response to a request by the Ministry of Gender Equality and Child Welfare; and an assessment of the distributional impacts of policies. National and regional (largely SADC) workshops with universities, researchers and policy makers working in the area of poverty and inequality will be used, amongst others, as dissemination platforms.

III. Preliminary Description

Concept Description

The proposed project will be structured along three main components:

1. Survey preparation, design, implementation and data collection of a pilot Household Indebtedness and Financial Inclusion Survey. This component will constitute the bulk of planned activities. The pilot survey will collect information on both household indebtedness and the extent to which the financial system is inclusive. The survey, though building on some limited indicators included in the NHIES, will be an independent survey. However, in order to be able to make the link to poverty measures, the sample used will be drawn from the Namibia Household Income and Expenditure Survey (NHIES) sample. This component will constitute technical assistance on survey design and preparation as well as data collection. It seeks to strengthen the NSA's capacity to prepare and implement new and specialized surveys in response to demands from stakeholders. Collection of household indebtedness indicators is part of the NSA's task to provide annual data on household debt to the Bank of Namibia through household or other annual surveys. The collection of financial inclusion indicators will help improve the NSA's statistical support to the Bank of Namibia, other commercial banks and financial institutions in the country. This component will consist of two sub-components:

- a. Technical assistance on survey design and preparation. This component will bring in knowledge, expertise, and skills on sampling, questionnaire design, field work organization, supervision, data entry, and data collection. This component will also involve training on the use of the Computer-Assisted Personal Interviewing (CAPI) tool as a possible option for the data entry system. A system of data quality assurance will be built into the sub-component, along with data dissemination.
- b. Data collection. Technical assistance will be provided to conduct the field work for the two surveys. Activities under this sub-component will include training of interviewers and support in piloting the surveys.

2. Assessment and evaluation of the 2015/16 Namibia Household Income and Expenditure Survey (NHIES). The 2015/16 NHIES is the fourth of this type of surveys to be conducted in independent Namibia. The design of the 2015/16 NHIES is different from previous surveys. Some of the differences include the following: reduction from 20 to 12 households in a PSU and an increase the number of PSUs from 500 to 864 with the aim of reducing sampling errors and the design effects. Data collection time of household transactions has changed from 28 days to 14 days. The Daily Record Book (DRB) is recorded for a consecutive seven days by members of the selected households with the assistance of team supervisors while the main questionnaire is administered by interviewers using Tablets and CAPI application (Android). The survey is expected to cover a total of 10,368 private households (sample size) and 864 Primary Sampling Units (PSUs) during its one year cycle. The selected representative samples from all 14 regions will allow for national, national urban, national rural and regional disaggregation.

Given these changes, it is thus important to make an assessment of quality of the data as well as processes around the survey implementation. Quality data is critical to evidence-based policy making. Moreover, it is important to assess whether the 2015/16 NHIES meets the standards outlined in the Data Quality Assessment Framework (DQAF), the Data Collection Processing and Dissemination Policy and Practice as well as the Code of Practice: Professional and Ethical Standards Applicable to Statistics Producers issued by the NSA in January 2015 in the Government Gazette. These standards are aimed at guiding the statistics producers in the National Statistical

Systems in Namibia in the production of quality, relevant, and timely data and statistics. The NSA has requested for technical assistance that will capacitate the Agency to fully implement the Data Quality Assessment Framework (DQAF) in assessing the quality of the 2015/16 NHIES data and subsequent designation as official statistics.

This component will accordingly be made up of two sub-components:

- a. Post-field assessment and evaluation of the implementation of the 2015/16 Namibia Household Income and Expenditure Survey (NHIES). The Surveys and Field Operation division under Demography and Social statistics Department is expected to coordinate the production of a Survey Methodology and Administrative Report for the 2015/16 NHIES. This report is expected to document how the implementation of the survey was done in all stages of the survey from planning, field operations, data processing (including data management), data analysis and report writing. The assessment will provide recommendations on areas that need improvement and adjustment for the next NHIES that is planned to take place during the 2018/19 financial year. Therefore, the NSA would like to get technical assistance based on international standards and best practices. This is critical to NSA because the revision of project document, methodology and budget for the upcoming survey will be based on these findings.
- b. Quality assessment and evaluation of the 2015/16 NHIES data. The task in this sub-component is to assess the quality and validity of the NHIES data with a view to make recommendations to the Statistician General.
3. Statistical analysis and training. This will comprise two sub-components:
 - a. Analysis of survey data, largely the 2015/16 NHIES data. This will include an estimation and validation of poverty lines; an assessment of poverty and inequality in Namibia which entails an examination of the state of poverty and inequality in the country, and an identification of the drivers and barriers to poverty and inequality reduction; an assessment of multidimensional poverty in Namibia; a poverty mapping exercise; technical support to the Ministry of Gender Equality and Child Welfare (MGECW) which has requested the NSA for support in conducting a study on the impact of child grants on the wellbeing of children in Namibia; and an assessment of the distributional impacts of policies.
 - b. Training of NSA staff. Other sub-activities in this component will include training on poverty analysis including training on the use of ADePT and Stata software. The training will be extended to data users outside the NSA. Dissemination of findings as well as exchange of knowledge will be supported via funding for study tours, conferences and workshops.

The project costs by component are as follows:

Project component	Amount
Component 1: Survey design, preparation, implementation and data collection	\$260,000
a. Pilot Household Indebtedness and Financial Inclusion survey (entails sampling, questionnaire design, field work organization, quality assurance, collection, and dissemination)	\$200,000
b. Pilot the use of World Bank's Survey Solutions technologies largely the Computer-Assisted Personal Interviewing (CAPI). Entails the purchase of tablets as well as training of enumerators	\$60,000
Component 2: Assessment and evaluation of the 2015/16 Namibia Household Income and Expenditure Survey (NHIES)	\$60,000
a. Post-field assessment and /evaluation of the implementation of the 2015/16 Namibia Household Income and Expenditure Survey (NHIES)	\$30,000

- b. Quality assessment and evaluation of the 2015/16 NHIES data \$30,000
 Component 3: Statistical analysis and training \$180,000
 a. Analysis of survey data, largely the 2015/16 NHIES data \$100,000
 b. Training of NSA staff, including purchase of software licenses \$80,000
 Total \$500,000

Investment Project Financing will be the grant instrument used for this project, financed with a Recipient-Executed Trust Fund (RETF) for Statistical Capacity Building at the amount of US \$500,000.

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:	0.5	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Trust Fund for Statistical Capacity Building			0.5

VI. Contact point

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