

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

Report No.: PIDC53766

Project Name	
Region	AFRICA
Country	Malawi
Lending Instrument	IPF
Project ID	P158864
Borrower Name	Malawi National Statistical Office
Implementing Agency	Malawi National Statistical Office
Environment Category	C - Not Required
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Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

This Concept note describes the work program that will build on the advances made in the availability, quality, timeliness and relevance of household survey data in Malawi over the last decade, and that will increase the frequency of official poverty statistics and that will culminate in an unprecedented opportunity to study welfare dynamics based on a high-quality panel household survey database ultimately spanning the period of 2010-2019. The multi-year work program will be implemented by the National Statistical Office of Malawi (NSO). The envisioned support will cover the partial costs of the NSO's implementation of two national household surveys in Malawi, namely the Fourth Integrated Household Survey (IHS4) 2016/17 and the Fifth Integrated Household Survey (IHS5) 2019/20. By fielding the upcoming IHS rounds every 3, as opposed to 5, years is in line with the NSO vision of collecting poverty data on a more frequent basis. Both surveys will be implemented on a Survey Solutions-powered computer-assisted personal interviewing (CAPI) platform as to increase the quality and timeliness of household survey data. The IHS4 and the IHS5 will both have a separate sample of households, in addition to the cross-sectional sample, that will constitute a sub-sample of households previously interviewed for the IHS3 2010/11 and the Integrated Household Panel Survey (IHPS) 2013, which were supported under the Living Standards Measurement Study - Integrated Surveys on Agriculture (LSMS-ISA) initiative.

Sectoral and Institutional Context

National Statistical Office

As part of its efforts to track poverty and monitor household living standards, the National Statistical Office of Malawi regularly conducts a number of household surveys. The NSO has been implementing the multi-topic Integrated Household Survey (IHS) every 6-7 years since 1997,

despite the historical target of implementing the IHS every 5 years. The IHS1 was conducted in 1997/98 with subsequent rounds in 2004/05 (IHS2) and 2010/11 (IHS3). The data from the three surveys have, among other insights, provided benchmark poverty, vulnerability, and socio-economic indicators to foster evidence-based policy formulation and monitor the progress of meeting the Millennium Development Goals (MDGs), Sustainable Development Goals (SDGs) as well as the goals listed as part of the Malawi Growth and Development Strategy (MGDS). While all past rounds of the IHS were cross-sectional, approximately quarter of the IHS3 2010/11 sub-sample were tracked and re-interviewed in 2013 as part of the IHPS 2013.

With technical support from Statistics Norway, the NSO has also been conducting the annual Welfare Monitoring Survey (WMS) since 2005, with the latest round completed in January 2015. The continued implementation of the WMS will be instrumental in monitoring socio-economic outcomes and non-monetary dimensions of welfare during the interim years of the IHS.

The NSO implemented the Population and Housing Census (PHC) in 2008, which provides the sampling frame for household surveys in the country. Most recently, the PHC, in combination with the IHS3, was used to generate an updated poverty map of Malawi, i.e. small area poverty estimates at the Traditional Authority-level. The NSO is also responsible for the National Census of Agriculture and Livestock (NACAL), which is planned to recur every 10 years. The latest round of the NACAL went to the field in January 2007, for a period of 14 months, and covered a sample of 25,500 households and the complete set of maize and tobacco estates in Malawi.

Among other household survey efforts, the NSO fields the Demographic and Health Survey (DHS) roughly every 5 years. The DHS is a nationally-representative household survey that provides data for a wide range of monitoring and evaluation indicators in the areas of population, health, and nutrition. The NSO also fields the Annual Economic Survey (AES), which is administered to a sample of formally registered businesses as part of the Business Information Register for the purpose of providing estimates of production, employment, remuneration, and business characteristics. Summary findings and reports from previous surveys can be found on the NSO website: www.nsomalawi.mw.

Living Standards Measurement Study (LSMS)

The Living Standards Measurement Study (LSMS) is a household survey program housed within the Surveys & Methods Unit of the World Bank's Development Data Group that provides technical assistance to national statistical offices (NSOs) in the design and implementation of multi-topic household surveys. For over 30 years, the LSMS program has worked with countless NSOs around the world: generating high-quality data, incorporating innovative technologies and improved survey methodologies, and building technical capacity. The LSMS team also provides technical support across the World Bank in the design and implementation of household surveys and in the measurement and monitoring of poverty.

Since 2008, the LSMS work program has focused on improving the availability, quality and relevance of agricultural data collected in multi-topic household surveys. The importance of agriculture and rural development to the WB's agenda has been reiterated in a variety of ways, including the key flagship report, the World Development Report 2008. Adequate analysis and monitoring of all aspects of rural development is essential to good project design, implementation and policy reform. Existing data suffer from inconsistent investment, institutional and sectoral

isolation and weaknesses in methods. These, combined with a lack of in-country analytic capacity, have led to serious gaps in knowledge and have hampered the ability to identify and promote effective innovation and sources of sectoral growth.

Designed to start filling these gaps, the Living Standards Measurement Study-Integrated Surveys on Agriculture (LSMS-ISA) is an initiative that was established in 2008 with a grant from the Bill & Melinda Gates Foundation (BMGF). The project continues to support governments in Sub-Saharan African countries to generate household panel data with a strong focus on rural development and living standards, including detailed information on agricultural and non-farm income activities. While the LSMS-ISA focuses on agriculture and other sources of income, it recognizes that the situation of urban households is relevant for understanding rural development, as urban labor markets influence migration from rural areas and can constitute important sources of remittances to rural households. For this reason, surveys are nationally-representative, including urban samples.

The surveys supported under the LSMS-ISA initiative are modeled on the integrated household survey design of the LSMS. In addition to the goal of producing policy-relevant agricultural data and other income sources for households, the project supports the design and validation of innovative survey methods, the use of technology for improving survey data quality, and the development of analytical tools to facilitate the use and analysis of the data collected. The data from these surveys are used by governments, their development partners and the research community at large, as a basis for economic analyses and policy research as well as evaluations of agricultural policies to foster discussions and promote effective approaches to advance the role of agriculture and non-farm income activities in economic development.

Leveraging the investments made under the LSMS-ISA initiative, the LSMS has also established, with funding from the UK Department for International Development (DFID), a methodological research program that supports the design, implementation and analysis of randomized household survey experiments in agriculture. The research program has also received support from the Global Strategy to Improve Agriculture and Rural Statistics, and all activities are implemented in coordination with the Research Component of the Global Strategy. Each household survey experiment supported under the research program tests alternative methods of data collection with respect to a gold-standard method, for the purpose of utilizing validated, improved and scalable methods in future surveys supported by the LSMS. The priority areas of measurement include (i) land area, (ii) soil fertility, (iii) annual crop production, (iv) extended harvest crop production, (v) agricultural labor, and (vi) cognitive and non-cognitive skills.

Core Agricultural and Rural Data Surveys (CARDS)

Development partners working in food security recognize the need for more reliable, timely, and better quality data in the agricultural sector. The lack of high quality and timely data severely limits the ability to make informed policy, investment, and programmatic decisions among government ministries and offices, private sector entities, as well as development donors. The purpose of the Core Agricultural and Rural Data Surveys (CARDS) is to improve the availability of timely and reliable data by supplementing and accelerating existing efforts to strengthen partner nation capacity to generate agricultural data. Currently, the CARDS project is funded by the US Agency for International Development and seeks to coordinate with other similar initiatives to fill gaps in agricultural data across partner developing countries.

CARDS will build off the Global Strategy to Improve Agriculture and Rural Statistics, which is implemented by the Food and Agriculture Organization of the United Nations (FAO), to address concerns of poor data quality – which provides the conceptual framework for the collection of data, establishes a minimum set of core data needed to meet current and emerging demands, outlines a process for integrating agriculture into national statistical systems and implementing data collection and management processes, and defines procedures to establish necessary governance structures and capacities to maintain the data collection and management processes over time. Additionally, CARDS aims to build on the methodological and procedural best practices utilized in surveys supported by the LSMS. When applicable, the CARDS will utilize institutional and technological infrastructure that were developed by the LSMS to optimize existing resources and synergize with other supporting data generation efforts.

Relationship to CAS/CPS/CPF

The idea of the IHS program is rooted in the goal to develop and implement a multi-topic panel survey that meets Malawi's data demands and gaps, and is of high quality, accessible to the public, and aligned with the National Statistical System (NSS) Strategic Plan 2013-2017 and the Malawi Agricultural Statistics Strategic Master Plan (MASSMP) 2013-2017. The NSS Strategic Plan was developed by the NSO and Ministry of Economic Planning and Development to present the NSS' vision and strategy for providing high quality statistics for evidence based policy decision-making. The plan focuses on the production and dissemination of official statistics along with strategies and actions that will improve statistical capacity with the NSO mandated by the 2013 Statistics Act to coordinate the NSS and serve as the central depository of all official statistics produced and disseminated in Malawi. The MASSMP recognizes the IHS as a source of data for agricultural statistics but does not address the survey program as an important source of agricultural data in depth because it is encompassed by the NSS Strategic Plan along with statistical plans from ten other sectors.

The IHS data have been central to policymaking and monitoring and evaluation efforts in the country. The data from the IHS3 2010/11 and the IHPS 2013 are central to active research focused on the Malawi Farm Input Subsidy Program (FISP), conducted by the World Bank and Purdue University, in partnership with the Ministry of Agriculture and Food Security (MoAFS). The data were used for the first comprehensive FISP targeting assessment, and are informing research focused on (i) the re-design of the FISP targeting, and (ii) welfare and productivity impacts of household FISP participation. Following up on the Poverty and Vulnerability Assessment that was published in 2007, the WB Poverty Global Practice, in collaboration with the Government of Malawi, is leading another Poverty Assessment Report for Malawi, which will be completed during the fiscal year of 2016 (ending on June 30, 2016), and will be centered on the IHS2 2004/05, IHS3 2010/11 and the IHPS 2013 data. The Malawi-specific research generated under the FAO Economics and Policy Innovations for Climate-Smart Agriculture (EPIC) program, which works with the MoAFS and the Bunda College to support the transition to climate smart agriculture by using sound economic and policy analysis, is also based largely on the data from the IHS3 2010/11 and the IHPS 2013.

Further, for the purpose of studying the welfare impact of the 2015 floods in Malawi and to inform on-going and future relief efforts, the LSMS team, in collaboration with the Poverty and Equity Global Practice, has opportunistically raised funding to track and reinterview 600 households in Southern Malawi that were interviewed previously as part of the IHPS in 2010 and 2013. The

existence of the IHPS infrastructure in the country has created an unprecedented opportunity to study the impact of a natural disaster, whose effects are typically understood through simulation exercises rather than before and after data collection on the same households and individuals that vary in terms of their exposure to extreme flooding. The Malawi Flood Impact Assessment Survey (2015) was conducted by the NSO from October to December 2015 with technical assistance from the LSMS team. The financial support to FIAS 2015 data production and analytical research is provided by the World Bank Finance and Markets Global Practice and the Disaster and Risk Management Unit. The result is a rare, three-round household panel, with two waves of data prior to the floods and one wave of data after the floods, allowing for a rigorous analysis of flood impacts on household well-being, and an improved understanding of household coping and risk management strategies.

Looking forward, the IHS4 and IHS5 will provide crucial information to the Government of Malawi in monitoring the progress under the 2016 MGDS and towards the MDGs and SDGs. The data on household consumption and production will be used for National Accounts purposes and will support the goal to continue to provide up-to-date socio-economic indicators to enhance evidence-based policy formulation. The frequency of the data collection effort is in conformity with the envisioned policy of conducting such surveys roughly every 3 years at the national level as well as the international level as the global development focus turns to the improved monitoring of the SDGs.

II. Project Development Objective(s)

Proposed Development Objective(s)

This project will support the Malawi Integrated Household Survey (IHS) Program over the period 2015-2020 for increasing the availability, quality, timeliness and relevance of household survey data. The support will cover the partial costs of implementing the Fourth Integrated Household Survey (IHS4) in 2016/17 and the Fifth Integrated Household Survey (IHS5) in 2019/20.

Key Results

The anonymized unit-record household survey data from the IHS4 and the IHS5 will be available within 12 months of completion of data collection (or sooner) in each round. The data will be fully cleaned, documented and disseminated through various means, including directly through the NSO and the World Bank Microdata Library.

III. Preliminary Description

Concept Description

The core objective of this work is to survey households in 2016/17 for the Fourth Integrated Household Survey (IHS4) and in 2019/20 for the Fifth Integrated Household Survey (IHS5). Both the IHS4 and the IHS5 samples will be comprised of a cross-sectional sample and a panel sample. The cross-sectional sample will be composed of 12,480 households in each round and will be the source of official poverty and all other statistics for which the IHS is designated by the NSO as the primary source. The cross-sectional interviews will be spread over a 12-month period, in line with the historical practice, in order to take into account seasonality in food and non-food consumption. The panel households will come from the sample that were initially interviewed in 2010 as part of IHS3 and were re-surveyed in 2013 during the Integrated Household Panel Survey (IHPS). The IHPS attempted to track all tracking-eligible individuals associated with 3,246 households that were previously surveyed by the IHS3. At the end, by tracking split-off individuals and bringing into the sample the new households that they had formed between the IHS3 and the IHPS, the IHPS sample

grew to 4,000 households.

The panel components for the IHS4 and the IHS5 will survey a sub-sample of the original 3,246 IHS3 households selected for the IHPS as well as the descendants of this sub-sample that were interviewed by the IHPS in 2013. More specifically, the original households and their descendants tied to 102 out of 204 IHPS enumeration areas (EAs) will be targeted starting with the IHS4, translating into an initial panel sample of approximately 2,000 households. This sample can still expand in IHS5 by tracking split-off individuals and bringing into the sample the households that they will have formed between the IHS4 and IHS5. The IHS4 and IHS5 panel components will build on the impressive tracking success achieved during the IHPS, and will work towards building a long-term panel of households and individuals.

The panel data will (i) ultimately span a period of 9 years between the IHS3 and the IHS5, (ii) include data from 4 points in time and (iii) be instrumental in understanding poverty and nutrition dynamics, livelihood transitions, structural changes in the rural economy, internal migration patterns, household formation and dissolution dynamics, idiosyncratic and covariate shocks, and inter-linkages among these changes. The panel components of the IHS4 and the IHS5 will be smaller in size than the past panel rounds and the reduced sample size is in line with the approach to building long-term panels in other countries supported by the LSMS-ISA (including Tanzania and Uganda) and provides the minimum sample size for analysis at the national level, and urban/rural levels. Given the nature of panel surveys, it is expected that the attrition rate will increase (due to increased opportunities for household dissolution, household formation and individual migration) as the panel ages. With the reduced sample size greater attention can be also given towards improving quality control over the individual tracking process and limiting attrition. The continued panel data platform will also help address impact evaluation and targeting assessment needs of large-scale development programs in the country, such as the Farm Input Subsidy Program.

The IHS4 and the IHS5 will be implemented using a computer-assisted personal interviewing (CAPI) platform designed using the World Bank Survey Solutions CAPI software. Methodological survey experiments may be built into the IHS4 and the IHS5 to validate key survey methods and measures to improve the quality of survey data. The methodological experimentation that may be conducted under the IHS4 and IHS5 umbrella will be in line with the priorities set forth by the Research Component of the Global Strategy to Improve Agricultural and Rural Statistics, and will be vetted through the IHS4/5 Technical Working Group.

Lastly, the project emphasizes capacity building both during and between survey rounds and developing sustainable systems for the production of accurate and timely information on rural households in Malawi. All data generated will be made publicly available within twelve months of completion of each wave of data collection to preserve the value of the data. This requirement will be an integral part of the Grant Agreement that will be signed between the World Bank and the Government of Malawi. The public availability of the data is already consistent with data access policies of the NSO, including ensuring confidentiality of the unit-record data and requiring requests for the data from all other institutions and individual researchers to provide a brief description of the proposed analysis. These procedures also meet the public data requirements of completeness and timeliness set by the United States Government's Open Data Policy – Managing Information as an Asset policy. Furthermore, the unit-record, anonymized data will be made available in multiple formats, namely CSV, STATA and SPSS, and will be described fully in the accompanying basic information document. Following the data release, a point of contact will be designated on the

LSMS team to receive all queries from data users and pass the questions along to the appropriate LSMS and NSO management members.

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:	1.942082	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Free-standing Single Purpose Trust Fund			1.942082

VI. Contact point

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