

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

Report No.: PIDC48254

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| <b>Project Name</b>                    | Implementation support to the PICES survey in Zimbabwe |
| <b>Region</b>                          | AFRICA   |
| <b>Country</b>                         | Zimbabwe   |
| <b>Lending Instrument</b>              | IPF  |
| <b>Project ID</b>                      | P158475  |
| <b>Borrower Name</b>                   | Republic of Zimbabwe                                   |
| <b>Implementing Agency</b>             | ZIMSTAT  |
| <b>Environment Category</b>            | C - Not Required                                       |
| <b>Date PID Prepared</b>               | 26-Jul-2016  |
| <b>Estimated Date of Approval</b>      | 13-Sep-2016  |
| <b>Initiation Note Review Decision</b> | The review did authorize the preparation to continue   |

## I. Introduction and Context

### Country Context

Zimbabwe has an estimated population of 14.2 million in 2013 and a Gross National Income (GNI) per capita of US\$820. It is estimated that between 1999 and 2008, the economy contracted by more than 45 percent due to disruptions caused by the land reform program and flawed macroeconomic policies, which ultimately led to hyperinflation. The economic growth rebounded in 2009 and the Zimbabwe GDP expanded by 25.2 percent over the period 2009-2011, at a constant annual rate of 7.8 percent. Despite the strong 2009-2011 economic performance, the country remains vulnerable to shocks and adverse weather conditions. GDP growth moderated to 4.6 percent in 2012, reduced to 2.9 in 2013 and is forecasted at 2.0 percent in 2014. The recent poverty report for the period 2011-2012 produced in 2013 by the Zimbabwe National Statistics Agency (ZimStat) reveals that 72.3 % of Zimbabweans are poor. Poverty is most prevalent in rural areas, where 84.3% of people live under the national poverty line compared to 46.5% in urban areas. In rural areas 30.4% of people live in extreme poverty, compared to 5.6% of the urban population. Access to health, education and agricultural services is declining due to lack of public funding, the introduction of informal user fees and levies, an acute shortage of relevant personnel, dilapidated infrastructure and obsolete equipment.

Zimbabwe is different from other fragile and conflict-affected states because it has the characteristics of a middle income country. For example, backbone infrastructure and human capacity tend to be of higher quality than in other fragile states. In spite of that, recent years have witnessed a loss of institutional capacity, especially in core government functions to deliver services to citizens. This comes on top of low capacity in the private sector, and lack of systems to resolve political and economic challenges. The World Bank and development partners have supported analytical work on the public and private sectors of the economy and have also provided technical assistance. The analytical work has provided a foundation for direct strengthening the

public and private sectors as Zimbabwe and move toward re-engagement with International Financial Institutions.

### **Sectoral and Institutional Context**

While household survey data on poverty and other social outcomes have been collected in Zimbabwe through their Poverty Income and Consumption Expenditure Surveys (PICES) and there are indications that overall quality of the data is acceptable, an independent assessment of their quality is not possible as data are not shared with users outside ZIMSTAT. The PICES poverty survey is the main source for poverty data, but this survey is mainly designed to serve national account purposes and lacks a number of essential elements for adequate poverty analysis. This, together with the limited access to the micro-data, limits in-depth analysis by poverty researchers which prevents a proper assessment of characteristics of the poor and causes of poverty. The survey data are currently not consistently used for decision-making for designing policies that can better reduce poverty and the national plan ZIMASSET makes limited use of them. Information gaps exist on welfare and equity trends as well as on the links between poverty and the productivity of informal income generating activities such as agricultural production or household enterprises. Adjusting the lack of reliable and available poverty data and the lack of evidence and poverty focus in the country's development plans will be important as the Government of Zimbabwe seeks to access concessional lending from donors under re-engagement and prepares a I-PRSP and a full PRSP over the coming years.

### **Relationship to CAS/CPS/CPF**

The proposed work is in support of the re-engagement process of the government of Zimbabwe with IFIs. It will lead to the production of high quality poverty analysis which should facilitate the development of a poverty reduction strategy, which, in turn, should form the basis for an assistance program from IFIs and other donors. Such a strategy and the poverty data/ analysis should subsequently also enable the production of an SCD and a poverty focused CPF.

## **II. Project Development Objective(s)**

### **Proposed Development Objective(s)**

The project is Recipient Executed (RE) and complements one other World Bank activity (P157466) which is Bank Executed (BE). The project focuses on implementation of the PICES survey with the following objective: enhance the understanding of poverty and its causes by increasing the availability and analysis of high quality data on poverty, other welfare indicators and on household income earning activities through implementation of a high quality PICES survey that meets international standards. The complementary BE activity (P157466) consists of technical assistance to support (i) survey design and data analysis and (ii) development planning and monitoring and evaluation.

### **Key Results**

1. High quality data from the income and expenditure survey are available for analysis by policy researchers
2. Analysis has led to better understanding of key constraints for raising living standards across the country and a better informed debate on pathways out of poverty.

## **III. Preliminary Description**

### Concept Description

While data on poverty and other social outcomes have been collected in Zimbabwe, these are currently not consistently used for decision-making by policy makers and planners. Nor are they used much for in-depth analysis by poverty researchers that helps understand characteristics of the poor and extreme poor and assess key causes of poverty. Analysis of collected household survey data has so far been limited due to lack of access to micro-data. In addition, data gaps exist on the links between poverty and the productivity (by gender) of informal income generating activities such as agricultural production or household enterprises. As consequence the understanding of causes of poverty and the binding constraints for addressing these is limited. This makes it difficult to design possible pathways out of poverty and the priority policy, investment and other spending measures actions that should be taken. The government has agreed to draft a PRSP for 2019-2024 which will need to be grounded in sound policy analysis. The World Bank also needs to conduct analytical work on poverty and the effectiveness of policy policies and programs as part of the process to obtain new access to concessional lending.

The proposed project will finance the implementation of a new Poverty Income Consumption and Expenditure Survey by the Zimbabwe statistical office (ZIMSTAT) in 2016 and 2017. Support will be provided within the context of the PICES technical committee the members of which consist of development partners co-funding the survey, ZIMSTAT staff and representatives of government ministries. Survey costs are estimated at US\$ 2.8 million for a sample size of 32,000 households. UNICEF has committed US\$ 300,000. The World Bank's contribution to the proposed activity is fixed at US\$ 1.9 million. This means that insufficient funding is available for a 32,000 household survey. However, if there is agreement with the client on a smaller survey sample, the costs of the survey will be in line with available funds. Discussions in this area are on-going. The Zimbabwe statistical office currently does not share PICES survey data with researchers and other users outside ZIMSTAT. World Bank funding of the PICES 2016/17 survey will be conditional on (i) a commitment to share the micro-data with users outside ZIMSTAT, (ii) acceptance of the World Bank as a technical partner, and agreement to conduct joint technical work e.g. on the questionnaire, sample size and data analysis so that these can meet World Bank quality standards; ultimately the questionnaire and the sample size will need to be approved by the World Bank. Recently the government has indicated that it is willing to start sharing raw data with users and it has started to put in place mechanisms (including a statutory instrument) for making that possible.

The complementary BE activity (P157466) will consist of technical assistance to (i) survey design and data analysis and to (ii) producing a poverty focused development plan in collaboration with the authorities. Technical assistance to survey design and data analysis will serve to bring the questionnaire in line with international practice for poverty surveys, to ensure the sample size is effective and efficient, to produce data aggregates, anonymize data, conduct data analysis training, calculate welfare indicators and produce high quality poverty/welfare analysis.

#### IV. Safeguard Policies that Might Apply

| Safeguard Policies Triggered by the Project | Yes | No | TBD |
|---|-----|----|-----|
| Environmental Assessment OP/BP 4.01         |     | ✘  |     |
| Natural Habitats OP/BP 4.04                 |     | ✘  |     |
| Forests OP/BP 4.36                          |     | ✘  |     |
| Pest Management OP 4.09                     |     | ✘  |     |

|  |  |   |  |
|--|--|---|--|
| 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:                   | 1.9 | Total Bank Financing: | 0             |
| Financing Gap:                        | 0   |                       |               |
| <b>Financing Source</b>               |     |                       | <b>Amount</b> |
| Zimbabwe Reconstruction Fund (ZIMREF) |     |                       | 1.9           |

## VI. Contact point

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