



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 04-May-2021 | Report No: PIDC245370



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P176590		Moderate	Iraq Household Socioeconomic Survey III
Region	Country	Date PID Prepared	Estimated Date of Approval
MIDDLE EAST AND NORTH AFRICA	Iraq	04-May-2021	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Ministry of Planning, Government of Iraq	Central Statistical Organization, Kurdistan Region Statistics Office	

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PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	4.11
Total Financing	4.11
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	4.11
Reform and Reconstruction in Iraq MDTF	4.11

B. Introduction and Context

Country Context

Iraq faced a dual shock of the coronavirus pandemic (COVID-19) and a collapse of oil prices in 2020. It is one of the most COVID-19 impacted countries in the MENA region in terms of number of cases and deaths. Since the detection of the first case at the end of February 2020, the virus has infected 798,547 more Iraqis and 14,036 deaths have been attributed to COVID-19 as of March 23, 2021 (WHO Dashboard). Given vastly urbanized population, including refugees and IDPs, with many living in close quarters and with limited



healthcare capacity and testing, which remains below the global average, the spread of the virus is likely to be higher than the confirmed cases. Besides, the country has been slow to start the inoculation process and the rate of vaccination is still minimal. As of March 7, 2021, a total of only 2,177 vaccine doses were administered in Iraq (WHO Dashboard).

In addition, the plunge of oil prices in the international market significantly shocked Iraq's revenues and created even greater constraints on its already very tight fiscal space. Crude oil prices tumbled from around 58 USD in January 2020 to below 17 USD a barrel in April of the same year. While the prices have recovered gradually, the drop, yet again, exposed the fault lines of the Iraqi economy. Given its heavy dependence on oil as a share of GDP and exports, and a source for most of the government revenues, the fall in oil prices hit Iraq's fragile economy hard.

The twin crises have exacerbated the pre-existing socio-economic conditions that were already precarious. With the recurrent episodes of violence and displacement, lack of economic opportunities, and fiscal pressures, Iraqis' resilience had been tested constantly and had left many vulnerable. With 1.3 million internally displaced persons (IDP) and 4.7 million recent returnees (IOM) that are vulnerable to food insecurity, poverty and access to services, the humanitarian conditions were already critical. The dual shock would have tested Iraqis' resilience further and exacerbated the pre-existing conditions.

Sectoral and Institutional Context

Iraq implemented two large household surveys (IHSES) in 2007 and 2012 with the technical assistance from the World Bank. The surveys have been instrumental in supporting both the government's reform agenda and the Bank's operations. The first round of the survey, a first of its kinds since 1988, generated information on a wide variety of socio-economic indicators and led to updating of the Consumer Price Index (CPI) and helped develop an official poverty line and formed the basis for Iraq's National Strategy for Poverty Reduction 2009. Similarly, the poverty targeting formula (PMT) developed from the IHSES II data has been central to the government's transition to a poverty-targeted cash transfer system. The data also brought a poverty and equity lens to the government's reform actions in the Development Policy Loan (DPL) and were used to develop a sub-district poverty map which has been widely used by the Bank's operations units, the government, and other development partners to inform the placement and targeting of development activities. The map was incorporated into the 2018 National Poverty Reduction Strategy.

The existing data, however, dates back to 2012. In 2014, to increase frequency of household-level information, Iraq implemented the continuous household survey (CHS) on a sub-sample of IHSES II with comparable questionnaire design. Rapid deterioration of security due to ISIS conflict halted the fieldwork halfway through the data collection. The continued security and budget crises in 2017 meant the planned IHSES III could not be implemented. Instead, a light Rapid Welfare Monitoring Survey (SWIFT) was conducted in 2017/18 to provide interim estimate of wellbeing. The survey was not comparable to the IHSES both in coverage, 14 of the 120 districts were not covered due to insecurity, and questionnaire design. Therefore, the IHSES 2012 remains the most recent comprehensive household survey in the country. Given



the series of severe economic crises (2014, 2020), conflict and displacement (2014 onwards), and the COVID-19 pandemic the country has suffered since, there is an urgent need to monitor and capture the current socioeconomic conditions and avoid the risk of data deprivation at a time when it is most critical.

The World Bank and the statistical agencies, CSO and KRSO, have a long-running engagement dating back to 2006, in implementing high-quality household surveys for welfare measurement and producing a wide range of analytical outputs to inform policy. This engagement has significantly strengthened both agencies' capacity to conduct high-quality surveys. As demonstrated by the implementation of the SWIFT, the agencies are committed to generating the data necessary for informed policymaking. They are also among the most advanced agencies in the region in terms of data sharing and transparency. Iraq has made both rounds of the previous IHSES data and the SWIFT survey publicly available through the World Bank's Micro Data Library.

Relationship to CPF

The Country Partnership framework (CPF) is currently on hold until the passage of the Iraq federal budget and the government's decision on the implementation of its reform white paper, which will allow the Bank to finalize the CPF for the upcoming 5 years and the pipeline operations associated to the CPF. This work, however, is fully aligned with the current draft of the CPF. It fills the data needs necessary to achieve objectives 2.2 ("Address skills mismatches for improved economic opportunities") and 2.4 ("Improve social protection and build resilience").

Moreover, this large-scale data collection will support directly the analytical work needed to operationalize the reforms proposed in the Gol's White Paper and hence relates to the CPF. While it will help identify key characteristics and heterogeneity within the public sector workers and pension recipients, the data can also be utilized to simulate public sector reforms (reducing wage bill from 25 to 12.5 percent of the GDP) and pension reforms proposed under Axis 1.1 (rationalizing expenditures) and their impacts on poverty and inequality. Similarly, the information on household energy consumption and sources of income and expenditures will help understand the potential consequences and, thus, will shape the operationalization of potential electricity and custom tariffs (Axis 1.2: Enhancing revenues and improving cash flow). The survey will establish a baseline and help identify the gaps between supply and demand in the Iraqi labor market (Axis 2.6: Human development and setting up a national strategy for education and training) and access to schooling (Axis 4.4: Implementing school construction plan).

The data collection will also directly underpin the operationalization of any social protection reform (Axis 4.2: Redraw the social protection system completely, and standardize the different types of support). First, the new data will allow to update the poverty targeting formula (PMT), which has become central to the government's transition to a poverty-targeted cash transfer system. Second, the IHSES III will help quantify the consequences of restructuring the PDS on household welfare, and, hence, will shape establish a gradual exit from the ration card system. Third, when a new Population Census becomes available, a new poverty map can be developed, which in turn will help to inform the placement and targeting of development activities to reach the low-income and most vulnerable groups in the country.



C. Project Development Objective(s)

Proposed Development Objective(s)

The PDO of this grant is to support the Central Statistical Organization (CSO) and the Kurdistan Region Statistics Office (KRSO) of the Government of Iraq in implementing the third round of the Household Socioeconomic Survey (IHSES III). The national survey measures almost all elements of household welfare and provides the basis for monitoring economic and governance reforms as well as designing, targeting and monitoring of the government's programs and policies and the Bank's operations. It is foundational in enhancing the capacity to bringing a poverty and equity lens to all the Bank's operations.

Key Results

1. IHSES III questionnaire and CAPI
2. IHSES III Pre-tests and training
3. IHSES III Data collection (fieldwork)
4. Poverty and other key socio-economic indicator estimation and reports

D. Preliminary Description

Activities/Components

This grant will support the Government of Iraq (GoI) in implementation of the third round of the Iraq Household Socioeconomic Survey (IHSES III). Based on the model of the Living Standards Measurement Surveys, IHSES is a nationally representative survey of households and individuals that collects detail data on all aspects of household income and expenditures and other wide range of socio-economic indicators. The previous rounds of the survey were also basis for updating the CPI and other national accounts and have been instrumental in monitoring and designing of the government policies and programs. The proposed survey will cover all governorates and will have qhada level representation.

The components of the proposed project are:

- i. Support the Central Statistical Organization (CSO) in preparing for and implementing the third round of the Iraq Household Socioeconomic Survey (IHSES III).
- ii. Support the Kurdistan Region Statistics Office (KRSO) in preparing for and implementing the third round of the Iraq Household Socioeconomic Survey (IHSES III).

The set of activities included for the proposed activity are:

1. Survey preparation and design
 - a. Workshops on indicator and questionnaire design
 - b. Pre-test of the survey instrument



- c. Training of main trainers
- d. Training of enumerators and field supervisors
- e. Printing and translation of questionnaire, manuals and other documents
- 2. Hiring of survey personal
 - a. Enumerator
 - b. Field supervisor
- 3. Purchase of goods require to conduct the survey
 - a. Tablets, computers, and other accessories
 - b. Coronavirus personal protective equipment (PPE)
 - c. Phone and internet cards
- 4. Survey implementation and data collection
- 5. Data processing and dissemination

As listed above, the grant will also be used for purchasing of some goods the CSO and KRSO requires to conduct the survey. However, the amount allocated for purchasing of goods is less than 20% of the total grant.

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Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies



Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The proposed project finances only capacity building and household survey without any on-the-ground activity with potential negative environmental risks or impacts, the environmental risk is assessed moderate mainly due to community and occupational health and safety issues and using of some electronic devices and accessories which might produce e-waste. The social risk of the project is considered moderate; mainly due to security-concerns as well as GBV/SEA requirements for project workers and participating community members and insufficient community engagement including on data privacy and consent.

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Borrower/Client/Recipient

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