

**World Bank Iraq Trust Fund**  
**Household Survey and Policies for Poverty Reduction Project**  
**(TF056441/P098979 and TF056442/P121754, P099084)**  
**October 2011**

**Project Summary Sheet**

|                                      |   |                       |           |                     |                |
|--------------------------------------|---|-----------------------|-----------|---------------------|----------------|
| <b>Title</b>                         | Household Survey and Policies for Poverty Reduction Project   |                       |           |                     |                |
| <b>Implementing Agency</b>           | Ministry of Planning and Development Co-operation (MOPDC)<br>World Bank   |                       |           |                     |                |
| <b>Location</b>                      | Nationwide (all 18 Governorates)  |                       |           |                     |                |
| <b>Sector code (OECD DAC)</b>        | <i>13010</i> Population policy and administrative management<br><i>16062</i> Statistical capacity building  |                       |           |                     |                |
| <b>Compact Priority</b>              | <i>4.4.1.1</i> Design and carry out specific policies including reforms and investments toward achieving the Millennium Development Goals<br><i>4.4.2.1</i> Undertake specific measures to strengthen the targeted safety net   |                       |           |                     |                |
| <b>Project Cost</b>                  | US\$12.1 million:<br>US\$7.0 million MOPDC-implemented grant<br>US\$5.1 million World Bank-executed technical assistance  |                       |           |                     |                |
| <b>Duration</b>                      | 74 months   |                       |           |                     |                |
| <b>Approval Date</b>                 | July 2006   | <b>Effective Date</b> | July 2006 | <b>Closing Date</b> | September 2012 |
| <b>Project Description</b>           | The Project financed (i) the first nation-wide expenditure survey since 1988; (ii) the development of an official poverty line and analysis of the causes and consequences of poverty; and (iii) the development of an official Poverty Reduction Strategy. During the coming period, the Project will finance (i) capacity building and technical assistance for implementation of the Poverty Reduction Strategy; (ii) capacity building and technical assistance for monitoring progress of the Poverty Reduction Strategy; and (iii) financial, capacity building and technical assistance for poverty measurement (including a second round of the IHSES survey whose questionnaire is being finalized). Recently, the Project has supported the implementations of the PRS through workshops with line ministries and (upcoming) governorates and the production of a prioritized action plan. At the same time, the Project is supporting the implementation of the second Iraq Household and Socio-economic Survey. The last batch of capacity building workshop on the IHSES2 took place in Beirut in November 2011. The survey is expected to be in the field for 10 months starting in early 2012. |                       |           |                     |                |
| <b>Beneficiaries</b>                 | The Project supports the improvement of government services and programs aimed at reducing poverty, increasing employment and improving safety nets. The intended beneficiaries therefore are the poor, vulnerable and unemployed Iraqis.   |                       |           |                     |                |
| <b>Near Term Employment Creation</b> | To supplement the existing MOPDC staff, 324 Iraqi consultants were engaged to conduct the survey and analyze data. A similar number will be engaged in the second round of the survey.  |                       |           |                     |                |

**Strategic Context and Donor Coordination**

The Project directly supports helping Iraq build efficient, inclusive, transparent, and accountable institutions. The Project is closely coordinated with other donors working in similar areas including USAID, DfID, UNDP, WFP and UNICEF.

**Project Development Objective**

Strengthen the ability of the GOI to make and implement informed policies regarding poverty reduction, job creation and improvement of safety nets.

## Outputs, Key Activities and Procurement

|                              |   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
|------------------------------|---|---------------|-----------------|-----------------------------|-----------------|-------------------------|-----------------|------------------------------|-----------------|---------------------|-----------------|
| <b>Outputs</b>               | <ul style="list-style-type: none"> <li>• Comprehensive household survey data for 2007 and 2011 (raw data and tabulation report)</li> <li>• Official poverty line</li> <li>• Poverty analysis report</li> <li>• Official Poverty Reduction Strategy</li> <li>• Improved capacity in central (and KRG) ministries for policy making</li> <li>• Improved capacity in central ministries, KRG and governorates for implementing poverty reducing policies and programs</li> <li>• Prioritized PRS action plan (upcoming)</li> </ul> |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Activities</b>            | <ul style="list-style-type: none"> <li>• Household survey data collection</li> <li>• Poverty analysis (including agreement on poverty line)</li> <li>• Development of Poverty Reduction Strategy</li> <li>• Support to line ministries and governorates for implementation of PRS</li> <li>• Monitoring of PRS</li> <li>• Relevant technical assistance and capacity building (executed by the World Bank)</li> <li>• Implementation of second IHSES (upcoming)</li> </ul>  |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Procurement</b>           | <table style="width: 100%; border: none;"> <tr> <td style="padding-right: 20px;"><b>Goods:</b></td> <td>US\$1.2 million</td> </tr> <tr> <td><b>Consulting Services:</b></td> <td>US\$3.6 million</td> </tr> <tr> <td><b>Operating Costs:</b></td> <td>US\$2.1 million</td> </tr> <tr> <td><b>Technical Assistance:</b></td> <td>US\$5.1 million</td> </tr> <tr> <td><b>Unallocated:</b></td> <td>US\$0.1 million</td> </tr> </table>  | <b>Goods:</b> | US\$1.2 million | <b>Consulting Services:</b> | US\$3.6 million | <b>Operating Costs:</b> | US\$2.1 million | <b>Technical Assistance:</b> | US\$5.1 million | <b>Unallocated:</b> | US\$0.1 million |
| <b>Goods:</b>                | US\$1.2 million   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Consulting Services:</b>  | US\$3.6 million   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Operating Costs:</b>      | US\$2.1 million   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Technical Assistance:</b> | US\$5.1 million   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |
| <b>Unallocated:</b>          | US\$0.1 million   |               |                 |                             |                 |                         |                 |                              |                 |                     |                 |

## Financial Data

|                              |                  |                       |    |
|------------------------------|------------------|-----------------------|----|
| <b>Funds Committed</b>       | US\$10.1 million | <b>% approved</b>     | 83 |
| <b>Funds Disbursed</b>       | US\$10.1 million | <b>% approved</b>     | 83 |
| <b>Forecast Closing Date</b> | September 2012   | <b>Delay (months)</b> |    |

## Progress against Indicators

|   |  |                     |     |
|---|--|---------------------|-----|
| Collect and analyze high quality data on household income, expenditure and living standards for all governorates.       | Data collected for 12 months in all governorates. Remarkably few areas (parts of governorates) are inaccessible due to the security situation. Quality of fieldwork and data found to be good.   | <b>% of planned</b> | 100 |
| Data sets and tabulation reports.   | The Tabulation Report was released in Baghdad on January 12, 2009.   |                     | 100 |
| Analysis of the Iraq Household Socio-Economic Survey (IHSES) appears in government reports and impacts budget decisions | <p>On November 24, 2009, the GOI formally adopted the Poverty Reduction Strategy.</p> <p>The 2010 budget has taken on several of the recommendations of the draft Poverty Reduction Strategy (PRS), including increasing allocations for basic education and health. The new National Development Plan similarly incorporates the priorities of the PRS.</p> |                     | 100 |
| Strengthen capacity of Iraqi Government agencies (1,000 person  | About 4,300 person days of training.   |                     | 400 |

|                           |  |  |
|---------------------------|--|--|
| days of training planned) |  |  |
|---------------------------|--|--|

### Qualitative Assessment of Project Performance

On November 24, 2009, the Council of Ministers formally adopted a Poverty Reduction Strategy (PRS) based on the analysis of the Iraq Household Socio-Economic Survey (IHSES) data. The PRS was publically launched on January 14, 2010 and was presented to the Council of Representatives on January 19, 2010. Many of the recommendations and priorities of the PRS have been incorporated into the 2010 budget and the draft Five Year National Development Plan. The Poverty Assessment Report was finalized in June 2010.

(i) On the Poverty Reduction Strategy (PRS) front, 2011 saw significant progress.

**Progress Achieved.** The authorities informed the World Bank team that following the approval of the PRS in 2009, its implementation has suffered severe delays notably due to the protracted time that was taken to form the current Government. A new impetus to the PRS implementation is beginning to form, however, and the Higher Committee for Poverty Reduction held regular meetings in the last 6 months. Letters have been sent to line ministries informing them of the importance of integrating PRS policies in their annual plans and focal points have been appointed. US\$1.75 bn have been allocated to be used for poverty reduction activities, including for strengthening health care systems, building dwellings for the vulnerable segments of the Iraqi population, eliminate 'mud schools', support microfinance, and promote gender-oriented activities in rural areas. The authorities have requested the help of the World Bank to support the implementation, monitoring and evaluation of the PRS at the central (PRS Secretariat), line ministries and governorate levels.

**Next Steps.** The PRS TA modus operandi was discussed. It was agreed that an effective implementation of the PRS requires a greater focus on the budget mechanism and coordination between the federal government, Kurdistan Region, and provincial (governorates) and local (districts and sub-districts) levels. Capacity building activities will focus on strengthening the coordinating role of the PRS Secretariat, and the technical ability of focal points in line ministries and governorates to integrate effectively PRS activities in the annual plans that are submitted to the Ministry of Finance. Moreover, the PRS TA will focus on strengthening capacity to implement activities and projects on the ground, tackle the coordination challenges at all levels of government and develop capacity to monitor implementation and evaluate outcomes. The PRS Secretariat has also expressed interest in elaborating a PRS Progress Report. A workshop took place in Beirut during July 18-21, 2011 to focus on capacity building for the PRS Secretariat and line ministries. A follow-up workshop will focus on Governorates and the local level in the fall of 2011 or early 2012.

(ii) On the IHSES2 front the team supported the discussion with representatives of the Iraqi and Kurdish statistical agencies on the results of the pre-test exercise, the revision of the IHSES-2 questionnaire, and the preparation of the piloting exercise of the survey. The IHSES-2 will go to the field in early 2012.

**Next Steps.** Recent activities consisted in training the interviewers and supervisors of the upcoming pilot survey as well as the data managers on data collection, data entry and fieldwork organization. These activities took place in Beirut in October/November 2012. The key next step consists in launching the survey in the field, in early 2012.

### Major Implementation Obstacles

Currently, the Project is not facing any major implementation obstacles.