I. Introduction and Context

Country Context

Iraq plunged into two simultaneous crises in the second half of 2014, one driven by a sharp decline in oil prices, the other, by Islamic State militants. Since June 2014, crude oil prices per barrel have fallen from around 112 USD to 97 USD in September and 62 USD by December. Given Iraq’s heavy dependence on oil as a share of GDP and exports, and a source of government revenues, this decline in prices alone would have hit Iraq’s fragile economy hard.

In addition, since June 2014, Islamic State (IS) or Da’ash militants extended their influence from Syria into Iraq’s northern and western provinces of Anbar, Nineveh, Salahadin, and to a lesser extent, Kirkuk and Diyala. A total of 354,000 families were internally displaced between June and December of 2014, which represents about 2.1 million individuals; and those left behind have been cut off from the rest of the country. The internally displaced persons (IDPs) have sought refuge across Iraq and about half of those who have crossed governorates boundaries settled in Iraqi Kurdistan.

Sectoral and Institutional Context

Iraq implemented two large household surveys (IHSES) in 2007 and 2012. In 2014, an annual survey was implemented on a sub-sample with comparable questionnaire design but fieldwork was
interrupted due to the rapidly deteriorating security situation. The ongoing security and budget crisis implies that large household surveys are not feasible in the near future. The next IHSES planned for 2017 is unlikely to take place on time. At the same time, it is more important than ever to monitor poverty and key socio-economic indicators, given the scale of the crises, and the high concentration of the population close to the poverty line. As a result, Iraq is at risk for data deprivation at a time when it is most critical to monitor poverty and welfare.

Two comprehensive poverty assessments and a poverty map for Iraq have been completed using these datasets. Both CSO and KRSO have demonstrated ability to collect high quality data, and are among the most advanced in the region in terms of data sharing and transparency. Iraq has made both large household surveys (IHSES) publicly available through the LSMS survey database.

**Relationship to CAS/CPS/CPF**

This work is fully aligned with the original CPS Pillar 3 of "Improving social inclusion and reducing poverty", and in particular Outcome Area 3.2 and Outcome areas 2.5 of the revised CPF "Strengthened capacity to develop, manage and monitor social protection reforms and poverty reduction". It is also linked to an ongoing TA P154864 for analytical tools and capacity building for crisis response.

This activity is fully aligned with the objectives for the remaining period of the CPS as expressed in 2015 PLR, in particular, to deliver basic public services, especially in areas where the security threat has diminished, to reduce poverty and enhance citizen’s trust in government institutions. By providing the most recent estimates for poverty in this rapidly evolving context, it will also inform the SCD for Iraq, programmed for FY16.

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

**Proposed Development Objective(s)**

The PDO of this grant is to support the Central Statistics Office of the Government of Iraq in collecting and analyzing a SWIFT survey for poverty monitoring in 2016. SWIFT is a short, tablet based survey that estimates poverty headcount rates based on a modeling exercise using most recently available household survey data. This survey will likely exclude the three governorates currently under the influence of Islamic State, unless the security situation improves significantly. Currently, the Central Statistical Office (CSO) is implementing a SWIFT pilot for Baghdad, and have secured some resources for the full survey. This grant to the CSO will co-finance the survey. A separate smaller grant for the Kurdistan region statistics office will support the survey in the three governorates of Iraqi Kurdistan.

**Key Results**

1. SWIFT model
2. SWIFT questionnaire
3. SWIFT training
4. SWIFT fieldwork
5. SWIFT estimation and validation
6. Results and report

**III. Preliminary Description**

Concept Description
Iraq implemented two large household surveys (IHSES) in 2007 and 2012. In 2014, an annual survey was implemented on a sub-sample with comparable questionnaire design but fieldwork was interrupted due to the rapidly deteriorating security situation. The ongoing security and budget crisis imply that large household surveys are not feasible in the near future. The next IHSES planned for 2017 is unlikely to take place on time. At the same time, it is more important than ever to monitor poverty and key socio-economic indicators, given the scale of the crises, and the high concentration of the population close to the poverty line. Iraq has made both large household surveys (IHSES) publicly available through the LSMS survey database.

This grant will provide complementary financing for a SWIFT survey for poverty monitoring during this crisis situation. SWIFT is a new household survey instrument that projects consumption based on collecting 10 to 15 simple questions on poverty correlates such as education of the household head, ownership of consumer durables, household head’s employment status, among others. The identification of these correlates is based on estimates obtained from implementing a model using the latest available household survey in the country. The main advantages of using SWIFT are saving time and reducing survey implementation costs. Additionally, SWIFT has adopted recent innovations in data collection, like Computer Assisted Personal Interview (CAPI) and data cloud. 18 SWIFT surveys have been successfully completed or are ongoing in 14 countries across all regions.

This survey will likely exclude the three governorates currently under the influence of the Islamic State, unless the security situation improves significantly. Currently, the Central Statistical Office (CSO) is implementing a SWIFT pilot for Baghdad, and have secured some resources for the full survey. However this is inadequate, and in particular, the Kurdistan region statistical office (KRSO) has no resources for implementing SWIFT. Both CSO and KRSO have demonstrated ability to collect high quality data, and will be ready to complete fieldwork as soon as resources are made available.

For more details please see the technical concept note attached to this package.

IV. Safeguard Policies that Might Apply

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V. Financing (in USD Million)

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