

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

Report No.: PIDC47357

<b>Project Name</b>	Tanzania Mainland Household Budget Survey
<b>Region</b>	AFRICA
<b>Country</b>	Tanzania
<b>Sector(s)</b>	General public administration sector (100%)
<b>Theme(s)</b>	Economic statistics, modeling and forecasting (50%), Other economic management (50%)
<b>Lending Instrument</b>	Lending Instrument
<b>Project ID</b>	P158448
<b>Borrower Name</b>	UNITED REPUBLIC OF TANZANIA
<b>Implementing Agency</b>	National Bureau of Statistics
<b>Environment Category</b>	C - Not Required
<b>Date PID Prepared</b>	18-Dec-2015
<b>Estimated Date of Approval</b>	29-Feb-2016
<b>Initiation Note Review Decision</b>	The review did authorize the preparation to continue

## **I. Introduction and Context**

### **Country Context**

Strong economic growth and emerging signs of pro-poor growth. Tanzania has seen remarkable economic growth and strong resilience to external shocks over the past decade. The poverty rate which remained stagnant at around 34 percent until 2007, started declining since then to 28.2 percent in 2011/12. There are also emerging signs of increased participation of the poor in the growth process. However, the number of poor remains high, with nearly 12 million Tanzanians living below the national poverty line and around 49 percent living on less than US\$1.9 per person per day (in 2011 purchasing power parity exchange rates). Poverty remains particularly pervasive in rural areas which continue to account for over 80 percent of the poor populations and inequality between the geographic regions is widening, challenging the prospects for more inclusive growth. Important challenges remain ahead for enhancing poverty reduction and shared prosperity. Despite the improvements in households' living conditions in recent years, overall progress towards poverty reduction and development goals remains slow. Expanding economic opportunities for the poor and promoting shared prosperity are challenged by many factors including, underperforming agriculture sector, climate change, demographic pressure, low productivity and competitiveness, and infrastructure bottlenecks. The Government of Tanzania (GoT) has adopted a series of initiatives to leverage the country's opportunities and accelerate the provision of the basic conditions for higher and more inclusive growth. As part of these initiatives the GoT has committed to increase transparency and accountability through joining the international Open Government Partnership (OGP) initiative, adopting a new results delivery model, known as Big Results Now (BRN), and promoting access to open data. In addition the GoT has adopted the new Sustainable

Development Goals (SDGs) and started preparing its implementation strategy, including preparation of a national monitoring framework for measuring progress toward SDGs in the country.

More frequent and higher quality statistics are critical for a better monitoring and evaluation of development programs and more inclusive decision-making process. The GoT new initiatives place a strong focus on results to improve performance and accountability. This calls for increased quality and frequency in the production of statistical information to continuously and consistently measure the results. In particular, accurate and timely household survey data are of critical importance for the effective design and monitoring of development programs and for promoting greater accountability. They represent the cornerstone for sustainably monitoring the twin goals of poverty reduction and shared prosperity as well as many of the SDG indicators.

While Tanzania has made gains in the availability of statistical information and survey data and can be considered as data rich compared to countries of similar levels of income, the availability of timely household surveys remains limited and the time intervals between poverty estimates are still quite large. There is a need to improve the quality and frequency of household survey data to ensure a more effective monitoring and evaluation of key performance indicators and targets of poverty reduction.

### **Sectoral and Institutional Context**

Tanzania Statistical Master Plan (TSMP). The GoT, with support from the World Bank and Donor Partners (DPs), has developed the Tanzania Statistical Master Plan (TSMP) to strengthen the country's statistical capacity and to establish a well-coordinated statistical system that meets user needs and deliver quality and relevant statistics in a timely and cost-effective manner. The TSMP sets out the comprehensive strategic and policy framework for the development of the National Statistical System (NSS) as a whole for a five year period. It contains five main components, including the development of statistical infrastructure and the improvement of the quality, timeliness and accessibility of socio-economic data.

The TSMP is financed by a TSMP Basket Fund set up by DPs; including DFID, DFATD and the World Bank; and managed by the Tanzania National Bureau of Statistics.

The National Bureau of Statistics (NBS) has the responsibility to provide official statistics and is the chief implementer of TSMP. Tanzania's NSS comprises various institutions producing data, including NBS, Office of Chief Government Statistician (OCGS) in Zanzibar, Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs) and Regional Secretariats (RSs).

The Statistics Act of 2015 has established NBS as an autonomous public office assigning it the mandate to provide official economic statistics and to coordinate statistical activities within the NSS. The NBS is the chief implementer of TSMP and has the primary responsibility of compiling national accounts and price statistics and conducting censuses and surveys, including large scale household-based and establishment-based surveys, and population censuses.

Conducting household surveys on a frequent basis is a high priority activity for the development of statistical infrastructure in the TSMP. The NBS has conducted a number of household level surveys, including Household Budget Surveys (HBS) of Tanzania Mainland for 2001, 2007 and 2011/12. These surveys cover household consumption and a number of other important socio-economic characteristics and represent the official source for the estimation of official poverty numbers. In addition, the NBS has conducted four waves of National Panel Survey (NPS) for the periods 2008/09, 2010/11, 2012/13 and 2014/15. NPS is a national level longitudinal survey

designed to collect data from the same households over time in an attempt to better track the progress of the National Strategy for Growth and Reduction of Poverty (MKUKUTA), understand the poverty dynamics and evaluate policy impacts.

The NBS plans to conduct HBS to produce poverty estimates every five years (or less), and the next survey for Tanzania Mainland is scheduled for 2016/17. However, the available resources from the existing TSMP Basket Fund are quite limited and the NBS is facing funding gaps for the implementation of this next HBS. The total survey implementation cost for the HBS 2016/17 is estimated at approximately USD 3 million for a sample of around 10,000 households and the available funds in the basket fund would allow to cover around 10-15 percent of the costs of the survey implementation, leaving a financial gap of around USD 2.5 million.

The aim of this project is to provide the financial and technical assistance to the NBS for the preparation and implementation of Tanzania Mainland HBS 2016/17 and to support NBS to improve the survey design and data collection methods, with a special focus on reducing the costs and the respondent burden without affecting the comparability with previous surveys.

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

The Tanzania Country Assistance Strategy (CAS) 2012-15 focuses on reducing poverty and promoting inclusive and sustainable economic growth led by private sector, building infrastructure and improving basic services delivery, strengthening human capital and safety nets and improving accountability and governance. Enhancing productivity and commercialization of agriculture and promoting the development of the private sector are among the main areas considered for the creation of productive jobs for the poor and increasing their participation in the growth process. The CAS acknowledges that GoT weak statistical capacity made it difficult to track MKUKUTA progress and accurately monitor poverty reduction. It devoted a special focus to building Government's statistical capacity and improving the quality, consistency and frequency of household survey data for an effective monitoring of poverty and inequality indicators. This project will directly support efforts to ensure the availability of suitable household survey data for the monitoring of the targets set as part of the Government's strategy for poverty reduction.

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

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

The project development objective is to support the Government of Tanzania in producing quality and cost-effective household survey data for a regular and consistent monitoring of poverty and other socioeconomic statistics.

### **Key Results**

The main expected outcomes of the project are timely availability of the HBS for Mainland Tanzania 2016/17 and the improved capacity inside NBS to design, collect and process household budget survey in a timely and cost-effective manner through learning and doing. The key results of the project include:

- 1) Improved cost-effectiveness and frequency: draw on best practices for a more cost effective HBS design, including the design of the sample size, method of data capture and reference period to reduce the survey costs and respondents burden without affecting the comparability with previous surveys. This would allow for the production of household survey data on a more frequent and sustainable basis. It will also incrementally move the HBS towards adoption of current internationally preferred practices;
- 2) Data quality: improve the survey representativeness and develop a standard approach for data cleaning and quality assurance;
- 3) Data accessibility: publication of poverty and key socio-economic statistics no later than six to nine months after the completion of data collection and release of unit-record data no later than after 12 months.

### III. Preliminary Description

#### Concept Description

The proposed project activities cover three main parts linked to the: (i) preparation and design, (ii) implementation and data collection, and (iii) analysis and dissemination of the HBS for 2016/17. In preparation for the survey, a clear set of activities have been identified which will strengthen NBS capacity to prepare and implement the survey in a more cost-effective manner through a series of technical assistance engagement.

The details of the activities are as follows:

- 1) Survey preparation and design. This part has three clusters of activities: first, to support NBS in designing the survey questionnaire in such a way that it collects data on new indicators relevant to multiple sectors, aimed at gaining a better understanding of the root causes of poverty as well as a better evaluation of the progress towards the SDGs. Second, to improve the sampling design and increase the survey representativeness. The previous HBS for 2007 and 2011/12 interview a nationally representative sample of over 10,000 households, but the poverty (and other socio-economic) indicators produced by the surveys are representative only at the national and major geographic domains, namely Dar es Salaam, Rural and other Urban areas. Technical assistance will be provided to improve the sampling design and representativeness at regional levels, based on costs and data quality considerations. Depending on the budget envelope, the objective would be either to increase the levels of precision for the survey and target representative estimates at the national, major geographic domains and regional levels; or to design the survey with a similar precision to the previous HBS but reduce the sample size significantly. A series of hands-on trainings will be provided to strengthen the sampling capacity in the NBS to develop more efficient sample designs, taking into consideration the impact of the different choices of sample size on the accuracy of survey estimates, data quality and survey costs. Third, review the method of collection of consumption data and the reference period. The previous HBS collect food expenditures using a 28-day diary and non-food expenditures using the diary as well as recall module and are conducted over 12 months. This requires intensive and frequent supervision and leads to high costs, respondent fatigue etc. Assistance will be provided to NBS in order to review the data collection method and build on best practices for improving the cost effectiveness of the survey, while preserving comparability with previous surveys as much as possible. Maintaining comparability of the surveys may be very challenging and will require a thorough investigation of appropriate methods and

techniques to address it at the survey design stage as well as at the data processing and analysis phase.

2) Survey implementation and data collection: the project will support the implementation of the HBS and data collection process. The activities will include the preparation of the training materials and documents for the trainers and interviewers, the selection of the enumerators, and the preparation of the fieldwork calendar and the quality control during the fieldwork.

3) Data processing and dissemination. This component comprises three sets of activities. First, to support NBS in cleaning and compiling the survey data. The activities will include the preparation of a standard approach for data cleaning and quality assurance and the production of a fully documented and replicable procedure for data verification, error checking and correction etc. Second, assist NBS in the poverty (and other key statistics) estimation methodology, including the estimation of the consumption aggregates, price indicators, poverty line etc. A special focus will be devoted to addressing the comparability issues that may arise from the potential changes in the survey design. Third, to assist NBS in the analysis of the survey data, preparation of the HBS report and dissemination of the survey results.

The lending instrument will be Investment Project Financing (IPF), financed with a Recipient Executed Trust Fund for Statistical Capacity Building at the amount of US\$ 2,300,000, and will finance consulting services, operating costs, trainings and workshops, and procurement of goods with a maximum of 20 percent of the grant amount. An additional amount of US\$ 200,000 will be allocated for technical assistance and will be managed centrally through a Bank-executed Trust Fund.

The project costs (in US\$) by component are as follows:

1. Survey preparation and design : 695,350
2. Survey implementation and data collection : 1,189,430
3. Data processing and dissemination : 415,220

#### 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:	2.3	Total Bank Financing:	0
Financing Gap:	0		

<b>Financing Source</b>	<b>Amount</b>
Trust Funds on Statistics - United Kingdom	2.3

## **VI. Contact point**

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