

# International Comparison Program

## 8<sup>th</sup> Inter-Agency Coordination Group (IACG)

# ICP-Africa Activities

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World Bank, GIU, Washington DC

**Room MC 8-100**





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# 1. Implementation Status

**ALL 50 African countries have submitted** data as follows:

✓ **HHC data: 50 countries**

- 49 Countries submitted Prices data as follows :

-Quarterly [Sept 2017 to Dec 2018]

-Monthly ICP/CPI common products [Jan 2017-Dec 2018]

- 01 Country submitted only ICP/CPI Common Items: **Angola**

✓ **Private Education : 50** countries

✓ **Housing Rentals : 49** countries (**Kenya Still to submit**)

✓ **Housing Volumes: 50** countries

✓ **GOV. Compensation : 50** countries

✓ **Extrapolation files : 50** countries

✓ **M&E: 50** countries; **Construction : 50** countries

✓ **Series of GDP vectors : 50** countries

**Capacity development :**

**Eritrea; Somalia; South Sudan; Libya.**



## 2. Completed activities

### BACKCASTING TO REFERENCE YEAR 2017

- Participating countries submitted CPI/ICP common prices as well as CPI indices to compute **price adjustment factors** to re-align prices collected in 2018 and 2019 to the 2017 reference year.
  - ✓ EDU : CAF -> 1 to **3** items ; Swaziland and Tanzania : 2 items to **3**
  - ✓ GOV : DJI -> 10 to **11** items; Kenya and Tanzania : **updated**
  - ✓ CON : Mauritius agreed to provide 2 additional prices to bring items to **17**
- Importance and Availability of products (**HHC, EDU, GOV, MEQ, CON**) were revised and **now cover 50 countries with regards to set criteria**

### COMPLETENESS OF SERIES OF GDP VECTORS

- GDP vectors were improved through the AfDB developed eVVe Suites that include **basic checks and advanced validation procedures (economic likelihood; temporal variation; price-expenditure consistency; etc.)**
- Special attention cast on **Angola, Mauritania, São Tomé & Príncipe, Liberia (GDP rebasing, changed exchange rates)**



## 3. Data Editing and Validation

(Workshops, Tech. Assistance, Retreats)

### Since September 2017 to Date:

- **HHC Validation** : Enhanced standard iterative processes (with more emphasis on country errors, editing of prices, quantities and units of measurement, review of surveys frameworks, etc.
- **Special Surveys** : Bilateral review, internal retreats
- **Validation of series of GDP Vectors** :
  - ✓ **Review** of MORES and other GDP files: Basic checks; Economic likelihood (notion of VUNEX); temporal variations; price-expenditure consistency;
  - ✓ **Validation** were performed through **eVVe** suites (GDP, GOV, EDUC)

### And :

- **Technical Assistance Missions : 39 Countries**  
Some countries were visited twice or more, e.g. Nigeria; Madagascar; Sudan; Egypt; Morocco; Angola; Malawi; Benin; Cameroun
- **2 Sub Regional Workshops [April 2018, July 2018] : 50 Countries**
- **1 Regional Workshop (APR 2019) : 54 participating Countries**
- **AfDB : Various Internal ICP data editing Retreats (Abidjan, Tunis)**
- **1 Dual participation meeting (Istanbul - December 2018)**



## 4. ICP Report and Outreach

### Concluding 2017 Activities

- ❑ Africa's regional results are being finalized in adherence to the global roadmap to the publication of global results.
- ❑ The AfDB is committed to submitting the final data and regional PPP results soon after the 8<sup>th</sup> IACG meeting :
  - ✓ **Releasing 2017 preliminary Results (Comprehensive Tables) : last half of Dec- 2019**
  - ✓ **The final PPPs Results will be released in February 2020.**
  - ✓ **The regional report is being drafted and is expected to be published in June 2020.**

### Outreach and Advocacy Activities

- ✓ **Improving the uptake of ICP data:** the Bank developed and presented the ICP advocacy concept note entitled “Purchasing Power Parities (PPPs) and International Comparisons; Powering the Africa Free Trade Area” during the 6<sup>th</sup> Statistical Commission held in **Addis Ababa in October 2018.**
  - **It set the stage for a comprehensive and far-reaching outreach and advocacy strategy** that includes the development of guidelines for the inclusion of ICP in National Strategy for the Development of Statistics (NSDS).
  - **Integration of ICP and National Accounts** with a view to equipping countries NA Experts with critical knowledge about PPP-adjusted GDP indicators.



## 4. ICP Report and Outreach (Cont'd)

### Planned Regional Dissemination of ICP 2017 Results

#### Internal

The outreach plan for regional dissemination of the 2017 results includes targeting:

- **AfDB Board of Directors,**
- **The AfDB 5 Regional Hub Offices**
- **The Community of AfDB economists**

#### External

Events will aim to share policy relevant information

- **To ministers** : ministerial meetings (e.g. African Ministers of Finance, Planning and Economic Development; African Ministers of Trade in charge of the African Continental Free Trade Area; Council of Ministers of Pan-African Organizations and Regional Economic Communities), and more importantly at the ministerial sessions themselves.
  - Each presentation will be tailored to the nature and themes of the meetings
- **To universities** : Selected among others are **Cameroon, Côte d'Ivoire, Egypt, Kenya, Nigeria, Rwanda, Senegal, South Africa and Tunisia.**



## 5. Dual Participation

### Brief background

Originated in September 2009 to recognize the increased number of countries participating in more than one regional comparison:

- ✓ **Arab Republic of Egypt, Sudan, Morocco & Libya** : both **AFRICA** & **ESCWA** Regions;
- ✓ **The Russian Federation** : participated in the **CIS** and **Eurostat-OECD** comparisons;
- ✓ **Fiji** : participated in the **Asia** and the **Pacific** and **the Pacific Islands** comparisons.

Dual participation **Required Additional Coordination Between the Regional Agencies**

### 2017 proves more challenging than 2011 and 2005

**Egypt & Sudan** participated in both the Africa and Western Asia ICP programs by providing prices for the products included in each comparison.

- ❑ Therefore, it was possible to compute PPPs for **Egypt** separately for **AFR** and **WAS**.
- ❑ Both regions included **Egypt** results in their **Regional reports**.

### Fixity is the right approach :

- ✓ Between-dual-participants binary PPPs (Egypt Vs Sudan; Egypt Vs Morocco; and Morocco Vs Sudan) are the same in ESCWA, Africa and the World;
- ✓ **This is consistent with the treatment of EU-OECD PPPs.**
- ❑ **IACG & TAG invited to consider this smarter and more sensible way of resolving the dual participation conundrum.**



## 6. The 2020 Round Preparedness

**Concept note :** AfDB to prepare a CN for Board Approval to support the 2020 Round as part of the Rolling Prices Approach (RPA);

- Discuss ICP results against the backdrop of the Bank's strategic areas;
- Align the ICP-Africa report to selected Bank's operational strategies by developing relevant thematic chapters in the report;

### **Five strategic lines for the ICP 2020**

ICP permanency in RMCs activities entails the following 5 strategic lines to be pursued:

- ✓ **Learning lessons from the ICP 2017** to further rationalize 2020 Round;
- ✓ **Integrating ICP and CPI**, with specific emphasis on extracting prices from country's CPI database;
- ✓ **Leveraging the ICP main survey** to secure prices for 2020;
- ✓ **Adequately extending prices** for selected items related to special surveys to the 2020 benchmark;
- ✓ **Integrating ICP and the compilation of GDP** estimates from the expenditure side.



## 7. 2020 Round : Preliminary Activities

- ❑ The AfDB is **currently reviewing 2020 presurvey product specifications** prepared by the ICP GIU. Comments on each survey list will be submitted to the GIU through the World Bank's electronic platform
- ❑ Following the **AfDB's communication with 54 countries** (the 50 ICP 2017 round countries plus South Sudan, Libya, Eritrea and Somalia), the same have started to:
  - ✓ **Regroup their ICP team that worked on the ICP 2017** and confirm the names of experts who will work on technical matters;
  - ✓ **Assess the availability and content of their CPI databases for 2017, 2018 and 2019** in terms of ensuring that: (i) CPI product specifications can be matched with ICP specifications; (ii) price data can be easily extracted; and (iii) detailed price indices can be aligned with the ICP classification; and
  - ✓ **Assemble input data required** for running the MORES (**Model Report on Expenditure Statistics**) across 2018 and 2019 GDP.



## 8. Overall Regional Risks

Three (3) major risks are worth underlining:

- ❑ **Belated availability of funds for the first regional workshop** – The later the workshop, the later the commencement of data collection for the main survey. As a mitigation measure, from January-February 2020, the AfDB will liaise with all the countries bilaterally to: (i) remotely train them on technical matters; and (ii) agree with each one of them on operational modalities.
- ❑ **ICP staff turnover in the countries** – The higher the turnover, the lower a country's ICP capacity. The above-mentioned dual approach is meant to mitigate such risks for GDP work, private education, compensation of government employees, and housing rentals and volumes.
- ❑ **Data discrepancy for dual participating countries** – AfDB and ESCWA have learned lessons from challenges that arose from the review of data for Morocco, Sudan and Egypt.



**Thank you!**