International Comparison Program
8th Inter-Agency Coordination Group (IACG)

ICP-Africa Activities

October 23-25, 2019
World Bank, GIU, Washington DC
Room MC 8-100
1. Implementation Status
2. Completed activities
3. Data Editing and Validation
4. ICP Report & Outreach
5. Dual Participation
6. Beyond the 2017 Round: Preparing for 2020
7. 2020 Preliminary Activities
8. Overall regional risks
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 & Principe, 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)
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 8th 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 6th 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.
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!