



ICP Regional Office Status Report

17 May, 2004

Please see below status reports presented by the respective regional coordinators in the Regional Coordinators Meeting held in Washington D.C. on 17 May, 2004. The reports and other issues discussed are also available as part of the meeting minutes on the ICP website.

Africa :

Michel Mouyelo-Katoula, regional coordinator

Product Specification: The regional office has largely followed the process recommended by the Global Office in preparing product specifications:

- Receive global SPDS from Global Office
- Adjust for African countries
- Send to countries for their opinions
- Comments received from countries
- Modifications made to SPDs as per recommendations from countries
- Translate into French.

Two groups of SPDs have been worked on, namely, Food Clothing and Footwear, and Furnishing, Transport and Communication. The first group of products has been finalized after lengthy and fruitful discussions with countries. Although substantive modifications had to be made to the global SPDs, the critical issue for Africa is translation: SPDs sent by the global office have to be translated into French for Francophone countries, which has proved to be a daunting task. The regional office has also reviewed the SPDs on Recreation, Culture and Restaurants, although this group has not been discussed at the country level yet. The regional office expects to complete the list of specifications by June this year at the latest.

A workshop/seminar was convened in Yaounde, Cameroon in April to discuss how best to prepare for price collection in detail with ICP national coordinators, deputy coordinators and directors of national statistical offices. A training workshop was also organized for administrative assistants to instruct them on procurement, disbursement and audit procedures. The coordinators and their deputies went through SPDs, methodological issues, etc. A supplement to Chapter 6 is being prepared to provide more specific guidelines and survey specific information to the national coordinators. Another meeting will be convened where practical issues like the process to be followed in price collection, putting in place supervisors and price collectors, etc will be discussed. Price collection in Africa will take place in both rural and urban areas. Each country will be divided into provinces and each province will be divided into two zones. Problems in individual countries will be looked at on a case-by-case basis. The countries have been advised to prepare their own manuals based on the supplement to Chapter 6 prepared for Africa.

Tool Pack: The Africa region wishes to train their own team in Tunisia (comprising of AFDB staff and selected country participants) to install and use the Tool Pack so that they can, in turn, impart training to national office staff.

Product Photographs: Photos of products have been collected and are waiting to be uploaded into the relevant software. The photos have not been documented yet.

Fundraising: The regional office is very optimistic about the funding situation in Africa. The AFDB Board of Directors is meeting on ICP matters in early June this year. It is expected that the Board will supplement the funds provided by the World Bank, DFID, Norway, etc with a grant of USD 26 million. The African Capacity Building Foundation will provide another a further USD 1 million (agreement to be signed in June with AFDB).

The larger objective of the program in the region is to build statistical capacity in Africa. National Accounts in Africa are far below international standards. Not all countries implement the SNA. That is why the regional office has stressed the importance of having one National Accounts expert and one Price Statistician as ICP national coordinator and deputy coordinator in each country. ICP is seen as a vehicle for capacity building and price statistics by the regional office. All the countries in the region are enthusiastic about this. 8 West African countries have their own harmonized CPIs. They are ready to replace their CPI systems with the ICP Tool Pack. The issue of harmonizing the program with CPI is of utmost importance to Africa. It is hoped that by 2006-2007 ICP numbers can be derived directly from CPI compilations.

The Africa region has continued to use their own system (in EXCEL) to derive product specifications. The region has not used the SPD software yet. The same is true for Latin America, however, both regions will have migrated to the SPD software by the inception of data collection. The AfDB has commissioned the design and layout of national ICP websites in the region. Raw micro data will be sent back and forth between the country offices and the regional office online.

Asia:

Bishnu Pant, regional coordinator/ Keith Blackburn, consultant

Product Specifications: The Asian Development Bank had contracted out product list development work to the Australian Bureau of Statistics. Their approach was similar to Africa's. Product lists were prepared after a series of communications with individual countries, especially with regard to information about CPI and non-CPI representative items. A major workshop was organized in January-February this year where participants reviewed all the proposed products and came to a final agreement. The product specifications were loaded into the SPD software in a form readable by Tool Pack using a highly structured approach. It has been decided that the product list will be translated into 18 local languages in Asia. Translation of labels and characteristics have been completed and reviewed. By mid-June translations of characteristic values are expected to be complete. One major issue that came up during translation was that the same word had been used to convey many different meanings, and different words had been used to convey the same meaning in the product specifications. Much more attention needs to be put into linguistic issues when compiling product specifications in the future. Housing, Water SPDs were sent to country offices last Friday. Transport, Communication, Recreation, Culture and Restaurants will be sent to countries over the next 3 weeks. Housing, Furnishings, Transport and Communication are expected to be finalized by mid-July. All final product specifications will be entered into the Bridge software after the workshop in July. The schedule is very tight but achievable.

Product photographs: The approach taken by Asia is that every country should have their own product photo set. Individual countries have been delegated the work of collecting the product photos. These are currently being documented (labeled and numbered) according to the Tool Pack scheme by the ADB office in Manila. The process is about two-thirds complete.

Harmonization with CPI: This is not a basic objective in the Asia region.

Training: Training workshops to prepare for price collection have already been organized for the South Asia and South East Asian regions. The same will be done for the remaining countries.

Governance: Participating countries have already signed MOUs with ADB.

Fundraising: USD 1.25 million has been mobilized so far this year which should be able to support the program till mid-2005.

Commonwealth of Independent States (CIS):

Youri Ivanov and Vasily Kuznetsov, regional Coordinators

The situation in ICP CIS is different from that of other regions. Having completed a comparison of GDP in 2000 in the same framework as the ICP, the region has considerable experience as far as methodological and other practical issues are concerned.

Though all CIS countries compute their GDP estimates on the basis of the concepts and definitions of the System of National Accounts 1993 and therefore are, internationally comparable, efforts have been undertaken recently to improve the methodology to compute selected components of the GDP such as final consumption expenditure of general government and final consumption expenditure of non-profit institutions serving households. The government finance statistics which is the major source of data for compilation of accounts for the general government sector are not harmonized with neither national accounts nor the international standard (IMF manual on GFS, released in 2001) in any CIS country. Therefore it was essential to prepare a document which describes the procedures needed to derive data from state budgets (the major component of the GFS in CIS countries) for the appropriate categories of national accounts, and the general government final consumption expenditure.

Another document was prepared to improve the estimates of final consumption expenditure of NPISH. It includes recommendations on sources of data needed to compile the accounts for NPISH. Treatment of non-observed economy (underground and informal economy) in national accounts of the CIS countries is another topic important for securing exhaustiveness of the estimates of GDP and their international comparability. The CIS Statistical Committee has recently surveyed the practices of the CIS countries in this area. The results of the survey show considerable differences in the share of non-observed economy in the GDP of the CIS countries and they may be attributed (at least partly) to deficiencies in the methodology. The measuring of non-observed methodology will be discussed at the international seminar to be held in St.Petersburg at the end of June. It is hoped that the recommendations of the seminar will help CIS countries to improve their estimates of GDP.

Two documents have been prepared jointly by the CIS Statistical Committee and Federal Statistical Service of Russia (former Goskomstat of Russia) to secure effective participation of the CIS countries in comparison of GDP for 2004. They are: i) classification of expenditure of GDP and ii) principles of selection of representative items and their valuation. The latter document explains the procedures for derivation of average national prices of representative items, and the procedures for identification and valuation of consumption from own production.

Translation: The ICP CIS office is currently translating the ICP Handbook to Russian. Four chapters will be available for distribution in CIS countries soon and they will also be made available in the ICP CIS website.

Product list: ICP experts from the CIS region (except Uzbekistan) met in April this year to discuss and finalize consumer item lists for 2004. List of investment goods will be discussed in a meeting of ICP experts in August/September. The consumer item list is based on country proposals and contains 1,350 items (the list is an updated version of the previous comparison).

The approach used is similar to the one used by OECD Eurostat. The asterisk method is used for multilateral comparison. CIS is starting price collection in July, earlier than the other regions.

Governance: Council of heads of statistical offices of CIS countries confirmed the participation of 11 CIS countries in the ICP program. MOU's have been approved by governments and signed. Uzbekistan may withdraw its participation.

In response to a request from the Global Office, Mr Kuznetskov agreed to send the global office the CIS list of Health related products.

Western Asia:

Mr Mohamed Al-Badrawi, regional coordinator

Product Specifications: Structured Product Descriptions (SPDs) for the first group Food Clothing and Footwear were distributed to participating countries in October 2003. Ten countries have submitted their PSs to the regional office. This group of products will be finalized in a National Coordinators meeting and workshop scheduled for June 2004. National coordinators and two statisticians from the National Statistical Offices have been invited from each participating country. The workshop will also provide guidance on pre-survey preparations, training on price collection using the Tool Pack software, discuss GDP weights and other national accounts issues, and set a time table.

Translation: Chapters 3-7 of the ICP Handbook are in the process of being translated in Arabic. The Tool Pack interface strings and messages have also been translated. Glossaries have been prepared in Arabic for SPDs. Picture glossaries have also been compiled for Furnishings and Utilities and Transport and Communication in order to help identify the product more easily.

Training: A workshop is scheduled in June for National Coordinators, Price statisticians and National Accounts Statisticians for practical training in the preparation for price collection. A two-day training workshop has also been scheduled for training on the installation and use of the Tool Pack. Mr Badrawi recommended that the training be imparted jointly by an IT expert and an ICP expert from the Global Office. He also suggested that trainers from the regional office and selected countries be trained first and then trainees from country offices can be trained by the trainers. Mr Badrawi presented a potential schedule for comprehensive training on the Tool Pack in the lead up to price collection.

Fund raising: As per the agreement with the World Bank, ESCWA contribution to the ICP program is in kind. The estimated total budget of ESCWA-ICP is USD two million. The Arab Fund for Economic and Social Development (AFESD) has contributed about USD 345,000 to the budget. A letter of agreement had been signed and transfer of the fund to ESCWA Regional Office is in process. Understaffing is a perpetual problem in the regional office due to budget constraints.

Latin America and the Caribbean:

Louis-Marc Ducharme, regional coordinator

Governance: The funding for the region is provided by the Canadian International Development Agency (CIDA). The regional coordination is provided by the Statistics Canada and the Economic Commission for Latin America. The regional coordinators are Louis Marc Ducharme (operating regional coordinator, Statistics Canada) and Heber Camelo, ECLAC. Jacob Ryten provides overall direction.

Product lists: 3 rounds of meetings were held with Mercosour and Andean countries with the objective of completing product specifications for food. The rest of the basket will be finalized in June this year. Questionnaires have been sent to all the countries and responses are being awaited. The Latin American region has good CPI programs in place with large samples and

adequate product specifications. CPI will be used as a base for ICP in this region. The regional office is currently in the process of identifying where CPI needs to be supplemented. The provisional list for Food will be sent to the Global Office asap.

Tool Pack: The regional office has concerns about Tool Pack training. A training schedule was requested.

Product photographs: The region has asked countries to compile photo albums for products, outlets and neighborhoods.

Translation: The LAC version of Chapter 6 of the ICP Handbook has already been translated in Spanish and Portuguese. The Tool Pack interface strings and messages have also been translated.

Ring comparison: Brazil and Chile have been sent formal letters to participate in the Ring Comparison. Louis Marc raised the issue of funding for the ring comparison. At the moment there is a small budget of about USD 20,000 per country for Ring comparison.

The large scale use of two languages, namely Spanish and Portuguese, probably made work much easier in the LAC region compared to Asia and Africa. Unfortunately, Central American countries had to be excluded from the program due to lack of funding. At this point even if funding is available, it will not be possible to integrate them. The regional office is currently trying to get agreement from the participating countries to share micro data. Brazil has agreed to share micro data with Statistic Canada who will do first aggregation and send it to ECLAC.

Conclusion:

Pricing for Food, Clothing and Footwear as well as the rest of consumption will start in October this year. There is still much work to be done in a very short amount of time.

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