

**Annex 4:****ICP Regional Programs – August 2003****Africa:**

1. *Summary* The program in Africa is progressing well. The African Development Bank, the primary implementing agency, has created a strong ICP unit staffed with six senior experts, five research associates, and one administrative support. An integrated work plan has been developed to address both the immediate objective of data collection and the longer terms goal of statistical capacity building. Forty-nine countries have indicated their intentions to take part. The countries have selected national coordinators and have prepared national implementation plans.
2. The first regional meeting was held in Addis Ababa, Ethiopia, 19-23 May 2003. The main objective of the meeting was to provide a forum for Heads of National Statistical Offices, National Accounts and CPI managers, to discuss and agree upon the implementation plan of ICP-Africa.
3. Over 180 participants, representing 49 countries and various international, regional and sub-regional organizations attended the inaugural meeting. In addition to the plenary sessions, three working group sessions were organized with the objective of (a) discussing methodological issues related to the establishment of a standard list of specifications through the SPD method, (b) addressing problems associated with the compilation of GDP expenditures estimates and methodological approaches that could be pursued to meet SNA/ICP requirements, and (c) finalizing statistical pre-assessment of participating countries to identify priority areas to be developed through effective synergy between the ICP-Africa and other statistical initiatives.
4. A special parallel session on poverty specific PPPs brought together poverty experts from international and regional development institutions, academia and country statisticians, to build consensus on how best to bring poverty specific PPPs into the mainstream of ICP. Discussions focused on the development of region (sub-region) specific poverty baskets and the compilation of expenditure weights for poor households.
5. The participants acknowledged the major improvements of the new round of ICP, particularly the decision to involve countries in the planning and management of the program through representation in the Regional Governing Board. Participants agreed to adopt ICP-Africa as a comprehensive framework for statistical capacity building, with emphasis on improving national accounts and price statistics. Participants agreed that the SPD methodology together with the CPI/ICP Tool-Pack would assist in strengthening both ICP and CPI, thereby improving the preparation of robust price comparisons both over time and space. After long deliberations both at the plenary sessions and breakout workshops, strong resolutions emerged at the end to:

- (i) Ensure that adequate funds are provided for the program in general, and for its capacity building component in particular. It was stressed that ICP-Africa should give equal attention between price and national accounts;
  - (ii) Build advocacy for national statistical capacity building initiatives;
  - (iii) Identify synergies and build strong partnership between ICP-Africa and other regional and sub-regional programs dealing with price and national accounts;
  - (iv) Integrate ICP and CPI activities, with the objective of strengthening CPI and facilitating the sustainability of ICP;
  - (v) Identify common areas of work, and develop modalities for collaboration, with the view to leveraging on each partner's comparative advantage, and advancing the common goal of improving statistics in Africa, and;
  - (vi) Ensure that poverty issues are given high priority in the ICP-Africa framework.
6. Statistical assessments have been undertaken in over 40 countries, with the objective of determining the level of ICP participation (at GDP or Consumption level), and assessing technical and financial assistance needs. A comprehensive report is under preparation and will be used to design national strategies within the general framework of ICP-Africa.
7. The first meeting of the Governing Board of ICP-Africa was due to be held in Addis Ababa on 24 July 2003. The primary objectives of the meeting were to:
- (i) discuss the status report of activities undertaken since the establishment of the Board in December 2002;
  - (ii) consider the action plans developed by AfDB for the next 12 months;
  - (iii) consider the resolutions of the first regional meeting of ICP-Africa held in Addis Ababa, 19-23 May 2003;
  - (iv) discuss the preliminary findings of statistical capacity assessment undertaken in 40 countries, with the objective of identifying priority areas and setting short term and long term goals;
  - (v) agree on a common strategy to build advocacy for national statistical programs; and
  - (vi) consider alternative modalities for the coordination of various sub-regional statistical programs in the areas of price and national accounts.

Asia Pacific:

8. *Summary:* The Asian Development Bank is receiving technical assistance from the ABS. The Regional Advisory Board has met and a workshop for the country practitioners is due to take place in late July. Resources and statistical capabilities indicate that not all countries will be able to cover full GDP nor provide national prices easily.
9. The Asian Development Bank is fulfilling the role of Regional Coordinator for the Asian Pacific region. They have contracted with the Australian Bureau of Statistics

for technical assistance with the preparation of the list of products for the Asian comparison.

10. The region has formed an Advisory Board that held its first meeting on June 18, 2003. There was a meeting on June 19-20 with the Heads of National Statistical Offices in the region for them to be briefed on the requirements of the ICP. The regional program will cover 23 countries which have been divided into two groups: those measuring PPPs for the full GDP and those covering the consumption part of the GDP.
11. Each participating country will be sending a national accountant and price statistician to Bangkok in the week of July 28 for a workshop providing more details about the ICP.
12. One important issue is whether each country will collect price comparison data that cover the full GDP. Another issue is the willingness to prepare national prices vs. prices that mainly reflect major cities. The Regional and Global coordinators will need to work closely with the countries in making these decisions. To some extent this is driven by available resources and statistical capabilities. These are significant issues, especially when they involve countries like China.
13. Other issues involve Iran and Mongolia. Mongolia is an ADB member country, but in the past participated with the CIS comparison. It is recommended Mongolia continue to participate with the CIS comparison.
14. Iran is not an ADB member country, but is a member of ESCAP. The ADB has not been willing to let Iran participate in its regional meetings even though expenses would be paid by ESCAP.

#### CIS

15. *Summary:* The region has a work plan in place and will soon start updating the product list used for their 2000 comparison. The region has considerable experience with the ICP. The primary issue is that they will need funding support. The 2000 comparison was a joint effort between Russia Goskomstat and the statistical committee of the Commonwealth of Independent States (CIS). The region will require funding assistance. It has been recommended that within the region the Bureau of Economic Analysis manage and coordinate the use of these funds.

#### Western Asia:

16. *Summary:* Significant strides have been made in Western Asia, including the establishment of a regional Executive Board, and the creation of a strong ICP team consisting of three regular full-time staff and a senior ICP consultant. Thirteen countries, including Iraq have indicated their intentions to take part. The first regional workshop was conducted in Beirut, 24-27 June 2003. A strategy paper has been developed to expedite and support the participation of Iraq. A budget shortfall of US\$530,000 needs to be addressed.

17. The first regional meeting of participating countries was held in Beirut, 24-27 June 2003. The objectives and strategies of ICP-Western Asia and the benefits of ICP in national statistical capacity building were discussed. Participants agreed that the ICP - in adopting the Structured Product Description (SPD) methodology and the ICP Tool-Pack to overcome the inevitable problems associated with trying to find "exact" or identical product matches - could potentially improve the calculation of consumer price indices and significantly strengthen the national price survey infrastructure.
18. The participants of the meeting were very conscious of the importance of using PPPs to derive real measurements of poverty levels. They specifically requested the inclusion of this issue in the agenda. In response to this request, a more extended presentation was fitted into the workshop.
19. An Executive Board has been established both to oversee the implementation of ICP-Western Asia and to assist ESCWA in the resource mobilization effort. .

#### Latin America and the Caribbean

20. *Summary:* A meeting of the first of the sub-regions in early July outlined the activities necessary at country and regional level to ensure the ICP's success. The ICP's finances in the region are shaky and no stable machinery for regional coordination has as yet been found. Statistics Canada and IADB may be able to offer support and assistance but this is not yet confirmed.
21. The Latin American leg of the ICP got underway in earnest on July 7 when the first of the sub regions met for an entire week and reviewed in detail the features of a large sample of goods and services drawn from all the major components of consumption expenditures. The seminar's success owed a great deal to a previous initiative designed to harmonize the sub region's national CPI's. The experience gained in so doing is right now the region's major and unique asset.

The purposes of the encounter were many. They included:

- To get institutions taking part in the program working at once with SPDs;
  - To agree on a calendar of bilateral visits as part of the preparations leading to the end of year encounters;
  - To ensure that the national accountants (who also attended the seminar) became aware of the ICP's practical complexities and agreed with their CPI counterparts on a method of very frequent contact;
  - To review once more the program's objectives, national commitments and to ensure that methods used would be fairly homogeneous.
22. A number of important challenges remain as threats to the program's prospects. The ICP's finances in the region are shaky and no stable machinery for regional coordination has as yet been found. Although 26 countries, including 7 from the Caribbean region, have indicated their intentions to participate, the work covers only 19 countries, leaving the Caribbean countries aside. Whereas exploratory talks have

taken place designed to bring Statistics Canada into the ICP in Latin America, a firm answer will not be given for some time. In the meantime, there is a plan to approach the IADB to make a contribution that is consistent with what regional development banks in Africa and Asia are providing.