7th Meeting of the International Comparison Program (ICP) 
Inter-Agency Coordination Group (IACG)

Status of ICP-Africa Activities and Risks

April 15-18, 2019 
World Bank, GIU, Washington DC 
MC 3-850
Outline

1. Implementation Status
2. Outstanding activities
3. Data Validation, Workshops & Tech. Assistance
4. Next Steps & WorkPlan
5. Outstanding Risks
6. Beyond 2017 ICP-Africa
1. Implementation Status

- 50 African countries (Comesa 20; Afristat 30) have submitted data as follows:
  - HHC data: 50 countries
    - 48 Countries submitted quarterly [Sept 2017 to Dec 2018].
    - 02 Countries submitted only ICP/CPI Common Items:
      - Angola: the ICP survey is ongoing
      - Madagascar: pharmaceutical and ICP Items data is collected & full ICP-data for Q4-2018 is under validation
  - Private Education: 50 countries
  - Housing Rentals: 45 countries
  - Housing Volumes: 42 countries
  - GOV. Compensation: 50 countries
  - Extrapolation files: 48 countries
  - M&E: 50 countries; Construction: 50 countries
  - Series of GDP vectors: 46 countries

- Capacity development:
  - Eritrea; Somalia; South Sudan; Libya.
2. Outstanding Activities

RETROPOLATION TO REFERENCE YEAR 2017

• Participating countries agreed submitting 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.

• The approach for back-casting main survey prices for Sudan, Angola and Mauritania will be agreed with those countries when processing of such prices is completed.

REVIEW OF SERIES OF GDP VECTORS

• GDP vectors to be further improved following basic checks and advanced validation procedures (economic likelihood; temporal variation; price-expenditure consistency).

• GDP vectors to be revised where GDP is being or will soon be rebased (e.g.: Angola; Mauritania; Malawi)

ALIGNMENT OF EXTRAPOLATION FILES

• All files to be thoroughly revised in alignment with: fine-tuned GDP vectors; price adjustment factors; and main survey framework questionnaire.
Since September 2017 to date:

- **Main survey validation**: Reinforced standard iterative process (with more emphasis on country errors, editing of prices, quantities and units of measurement, review of surveys frameworks, etc.)
- **Special surveys**: Bilateral review
- **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;
  - And:
    - **Technical Assistance Missions**: 39 countries
      - Some countries were visited twice or more, e.g. Nigeria; Madagascar
    - **1 Sub Regional Workshop (July 2018)**: 20 Countries
    - **1 Regional Workshop (APR 2019)**: 50 participating Countries while 4 are on CB.

**Plus**: Dual participation meeting (Istanbul - December 2018)
4. Next Steps & WorkPlan

- A number of countries still editing data (Prices & NA)
  - AfDB will be receiving new data until the end of May 2019.
  - Data processing expected to end in June/July 2019,
  - Internal Retreat on Data Validation: July 2019

Submission to AFDB of ALL pending data processing by end-May 2019: Prices and Series of GDP vectors

- SUBMISSION to GIU: 10 AUGUST 2019
### 5. Outstanding risks

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<tr>
<th>Category</th>
<th>Description</th>
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<tr>
<td><strong>Main Survey – Quality of price adjustment</strong></td>
<td>Temporal and spatial adjustment factors required to backcast prices to 2017 and scale them to entire nation may be uneven across countries</td>
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<td><strong>Housing volumes</strong></td>
<td>Some countries such as Equatorial Guinea will not be able to provide required information</td>
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<td><strong>Machinery-Equipment and Construction</strong></td>
<td>AfDB will ensure that recent decision of some countries (Congo, Egypt, Morocco, and Sudan) to conduct their own surveys does not result into program slippage.</td>
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<td><strong>Series of GDP expenditures</strong></td>
<td>AfDB will encourage countries with lower capacity to adopt its approach of validation and improvement and even endorse AfDB’s revised vectors</td>
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<td><strong>Price-expenditure consistency</strong></td>
<td>Once the validation of main and special survey prices has completed, lead time to data submission to GIU will be too short for securing price-expenditure consistency</td>
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6. Beyond 2017 ICP-Africa

1. AfDB to continue his support to ICP (2020 Round; etc)
2. Ensure that countries and regional economic communities working on ICP are able to consistently explain the main uses of PPPs to their principals and major users;
3. Discuss ICP results against the backdrop of the Bank’s strategic areas;
4. Align the ICP-Africa report to selected Bank’s operational strategies by developing relevant thematic chapters in the report;
5. Mainstream ICP in countries’ activities in national accounts and price statistics through: (a) Developing guidelines for the inclusion of ICP in National Strategy for the Development of Statistics (NSDS); and spearheading ICP-CPI integration as well as ICP-National Accounts integration through methodological harmonization and effective piloting in selected countries.
Thank You!