

Quarterly Update

December 31, 2012 Issue 16

Special Interview Series 5

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Governance Activities

7th Executive Board Meeting

The 7th meeting of the ICP 2011 Executive Board took place on November 13, 2012, at the World Bank in Washington DC to review the status of the 2011 Round at global and regional levels. As per the agenda, meeting discussions covered the following: (i) progress of the program and risk assessment; (ii) technical review of methodology and assessment of preliminary results; (iii) overview of prospective new products; (iv) ICP 2011 data access policy; (v) communication strategy for ICP 2011 results; and (vi) ICP report to the 44th session of the United Nations Statistical Commission. At the meeting, the Board reviewed the status of data and metadata submission, coverage, and quality. The Board decided that high level missions should be conducted jointly by the World Bank Global Office and the regional coordinating agencies concerned to any major economy that exhibits unexplainable variations between 2005 and 2011 with a view to resolving the inconsisten-

cies or confirming any underlying justifications.

Report to the 44th session of the United Nations Statistical Commission

The World Bank, on behalf of the Executive Board of the ICP, prepared and submitted to the forty-fourth session of the United Nations Statistical Commission a progress report providing comprehensive information on: (i) governance activities; (ii) participation and status of price and national accounts activities; (iii) risk assessment and timetable; (iv) capacity building activities; (v) data access policy; (vi) financial status; and (vii) future of the ICP.

2011 ICP Data Access Policy

The Executive Board adopted the 2011 ICP Data Access and Archiving Policy, with the changes noted by Board members in its 7th meeting on November 13. The adopted policy is available at the ICP website: www.worldbank.org/data/icp

Regional Activities

Africa

Three price data validation workshops were organized by the African Development Bank this quarter. The workshop for ECOWAS English speaking countries took place on

October 15-19 in Tunis, Tunisia, while the workshop for AFRISTAT and AMU countries took place on November 12-17 in Dakar, Senegal. Both workshops served to: (i) validate the 2011 and 2012 data with a view of improving its quality; (ii) review and address issues raised during the 7th Regional Coordinators meeting held on September 19-21 in Washington; (iii) conduct a thorough review of problematic basic headings; (iv) develop a format and agenda to make subsequent sub-regional and regional workshops more efficient; and (v) validate the matrix of availability and importance. Additionally, the workshop in Senegal helped to update Country Reports and to submit reports on the implementation of specific surveys. The price data validation workshop for COMESA and SADC countries was held on November 26-December 1 in Pretoria, South Africa with the following objectives: (i) validating the price data for all quarters of 2011 and first two quarters of 2012; (ii) examining the issues raised at the 7th Regional Coordinators meeting; (iii) providing country metadata reports and revised matrices of availability and importance; and (iv) submitting reports on the implementation of specific surveys.

Asia & Pacific

The Global Office and the Asian Development Bank undertook joint missions to China on October 10-13 and Hong Kong on October



Asia-Pacific Workshop on the Technical Discussion of GDP for the ICP, Bangkok, Thailand (October 23-30, 2012)

Regional Activities cont'd

15-16 to discuss the status of the ICP activities and the average prices collected for the 2011 ICP with the relevant National Statistics Offices.

The Asia-Pacific workshop on the Technical Discussion of GDP for the ICP took place on October 23-30, 2012 in Bangkok, Thailand. The primary objectives of the workshop were to review the: (i) 2011 GDP expenditure data for 155 Basic Headings; (ii) temporal comparison of the GDP expenditure data between 2005 and 2011; (iii) analysis of Basic Heading weights in the GDP and the CPI; and (iv) inter-country comparison of the 2011 GDP expenditure data. The workshop also aimed to validate the prices of components of GDP expenditures - household products; construction materials; machinery and equipment, and compensation of government employees. In addition to the Asian Development Bank staff and representatives from 22 countries, the Global Office and international experts participated in the workshop.

Commonwealth of Independent States

In accordance with the ICP work schedule, all 9 CIS participating countries have collected the price data for the ICP. The validation for the data for the comparison of dwellings, compensation of employees for non-market services, investment items and construction materials was undertaken during this quarter. The data was submitted to the ICP Global Office at the end of December 2012.

Latin America and the Caribbean

An Expert Group Meeting on Price Statistics for the ICP 2011 was held December 3-6,

2012 in the UN-ECLAC House in Santiago, Chile. The meeting was jointly organized by UN-ECLAC, CARTAC, CARICOM and the ECCB with the objective of validating 2012 price data for the Caribbean. Price focal points from 20 Caribbean economies, plus representatives from both Caribbean Netherlands and Saint Maarten attended the meeting. During the meeting it was confirmed that the final submission of Caribbean economies price data to the World Bank would be made by the end of December 2013.

A subsequent data validation meeting for the Caribbean is planned for the beginning of March 2013.

Eurostat-OECD

The 2012 edition of the Eurostat-OECD PPP Manual was released on the Eurostat and the OECD websites:

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-RA-12-023

The manual gives a complete and detailed description of the sources and methods employed by Eurostat and OECD to produce PPPs, with 2011 as reference year.

The annual Eurostat PPP Working Group meeting was held on November 20-21 in Luxembourg, bringing together PPP experts from all 37 participating countries, as well as from OECD, UNECE, ROSSTAT and CIS-STAT. The meeting served to review the forthcoming release of the PPP data for 2009, 2010 and 2011, as well as to discuss several methodological developments such as the new approach to measuring health PPPs, the treatment of discounts, the basic heading classification and the capital goods surveys. The

meeting was also informed about the on-going ICP activities.

Pacific Islands

The third data validation workshop for the Pacific ICP took place on November 6-9, 2012 in Apia, Samoa. The objectives of the workshop included: (i) reviewing the process of within-country and across-country data validation and completing within-country across-country data validation for the March and June data; (ii) resolving issues with difficult products; (iv) completing a first round of data validation for the September data; and (v) determining the additional steps needed to ensure good estimates of national average annual prices for each economy in the Pacific.

Western Asia

UN-ESCWA published the 12th issue of the region's ICP Newsletter in both English and Arabic. The issue featured articles on: (i) the ICP experience in the United Arab Emirates; (ii) importance of the ICP for poverty analysis and reduction; and (iii) the development of a special validation manual by UN-ESCWA providing a comprehensive and easy guidance for validating Machinery and Equipment price data. The newsletter and further information is available at <http://www.escwa.un.org/icp2011>.

Singleton Countries - Iran

A fourth series of joint meetings between the Central Bank of the Islamic Republic of Iran, Turkish Statistical Institute and the Global Office was held in Ankara, Turkey on October 11-15, 2012. The purpose of the meeting was to discuss and agree on various technical aspects related to linking Iran to the 2011 ICP via Turkey, including: (i) validation of the Household Consumption and Special Survey data; (ii) survey material for the remaining Household Consumption survey in Iran; (iii) process and approach for calculating national annual average prices; (iv) compilation and validation of the National Accounts Expenditure data for the ICP; and (v) review of the linking approach based of the 7th Technical Advisory Group Meeting recommendations.

Upcoming Data and Metadata Submission

As agreed at the 7th RC meeting, all data and metadata submissions are expected by the end of December 2012. This includes the following: (i) revised Household Consumption annual average prices, item importance indicators, and Basic Heading PPPs; (ii) revised National Accounts expenditure data; (iii) ICP Special Surveys preliminary price data; and (iv) revised population figures and exchange rates.



Caribbean Expert Group Meeting on Price Statistics, Santiago, Chile (December 3-6, 2012)

Materials and Tools

Price Spread Visualization Tool

The Price Spread Visualization tool was created to help Regional Coordinators and the Global Office in analyzing average prices received by all participating countries in the ICP 2011. The tool accompanied by its guidelines was sent to the Regional Coordinators in October 2012.

Using the tool, one can visually identify outlier average prices within a region (intra-regional analysis) and assess whether all regions have priced comparable items (inter-regional analysis). This tool can also be customized for the use of Regional Coordinators to validate average price data using sub-regional groupings.

Special Survey Data Submission Format

The submission of the ICP Special Survey data can be effected using the following submission format options: (i) ICP Special Survey Collection Forms, as submitted by the countries; (ii) ICP-Kit Data Files, as generated by the software; or (iii) Special Survey Submission Format Template. The Special Survey Submission Format Template was circulated to Regional Coordinators in December 2012.

Tableau Software

A new interactive data visualization tool called Tableau was introduced to the Global Office. Tableau is a software that combines data from a server or worksheet into a powerful yet user-friendly dashboard that enables charts and graphs to be created within minutes. Results may be published on the web so users can filter, highlight and drill down right in a browser while it is updated in real time.

This tool will be a fantastic way to work with ICP data and the Global Office will consider the use of Tableau for publishing the 2011 results. More information on the software and a trial version can be found at <http://www.tableausoftware.com/>

Wiki Page for Global Report

A Wiki page was created to aid in the preparation of the ICP 2011 Global Report. The draft sections of the Global Report will be posted on the wiki page as they become available to enable the ICP Regional Coordinators and Technical Advisory Group members to provide the Global Office with their comments to the draft report.

Special Interview 5 Mr. Oliver Chinganya Africa Regional Coordinator



Q1. As the ICP Regional Coordinator for Africa, you oversee the largest number of countries in the ICP 2011. What do you see as the pros and cons of coordinating such a large region?

Africa is a large continent comprising 54 countries, with diverse cultural, developmental and economic settings. Apart from a few countries, the economies of most of them are built around deep rooted political and administrative governance structures of former colonial powers, namely Great Britain, France, Portugal and Spain. The different economic and administration arrangements and settings pose a challenge to administer such a large statistical program which is also affected by language barriers as well as differences in size of economies and statistical capacity of participating countries. To address these challenges, the African Development Bank (AfDB) approach in implementing the program is built on partnership with all stakeholders of statistical development in Africa. This partnership has provided Africa with a robust coordination mechanism of statistical frameworks and initiatives which permit all national statistical offices to come together and agree on a regional statistical development agenda with a common vision and goal. In the recent past, in addition to the implementation of ICP, regional and national frameworks and initiatives for building statistical capacity have been developed and are under implementation. These frameworks and initiatives which are mutually reinforcing include, but are by no means limited to the following: the Reference Regional Strategic Framework for Statistical Capacity Building in Africa (RRSF), inter-governmental processes, African Charter on Statistics, Africa Symposium on Statistical Development (ASSD), the Strategy for the Harmonization of Statistics in Africa, the National Strategy for the Development of Statistics (NSDS) and ISibalo.

The aforementioned frameworks and initiatives including the ICP have made it possible for countries to realize that working as single entities, within economic blocks or based on language will not help to accelerate progress

in statistical development to inform evidence-based decision making on the continent, nor would it facilitate regional integration. For the implementation of the ICP, countries have agreed to work together in a program, which aims at attaining agreed objectives within a set timeframe. This implicit cross-fertilization presents an opportunity for country participants to share experiences and best practices. However, it should be noted that despite the achievements made, ICP still faces a number of challenges, particularly in terms of its use. The purposes and uses of ICP are vaguely understood among data producers and users alike and therefore support for the program by national governments, in many cases is minimal or non-existent.

The ICP 2011 has largely been supported by the AfDB and countries input has been minimal, mainly limited to staff time and provision of infrastructure. The lack of appreciation of the objective of the ICP and its uses poses serious consequences in mobilizing resources for future programs from both national and as well as international development partners. There is therefore a need to develop an advocacy strategy which will focus on the use of the results of the program at national, sub-regional and regional levels.

Q2. Given that Africa is such a large and critical region for the ICP, do you face any pressures that may not exist in other regions?

Africa being the largest constituency in the program and perhaps with the most to benefit especially in light of the recent statistics on economic growth, showing that out of the 10 fastest developing economies in the world, 7 are from Africa, there are indeed pressures. The continent cannot afford to “slip” in the program if at all this statistic is to be justified. It is therefore imperative to collect quality data that would permit intelligible comparison of economies. The challenge which translates into pressure is therefore how to ensure Africa produces quality data from weak statistical systems and poor infrastructure. It must be recognized that while progress has been made over the years through the various statistical capacity building programs, the development is not even. This situation definitely results into pressure in trying to meet the program objectives using systems which are not at the same level of statistical development. This is why, in addition to the main objective of ICP, the AfDB has added a statistical capacity building component in price statistics and national accounts to the Africa program.

Q3. Based on your extensive experience, what are you recommending to the countries in Africa to ensure all important qual-

Special Interview 5 cont'd

Quality assurance measures are properly undertaken?

The ICP 2011 data collection has been completed except for data from non-household consumption expenditure surveys (special surveys), which are expected to be completed by the end of December 2012. Quality assurance measures are part of the monitoring and evaluation process of the program from inception. During this process, measures were put in place to ensure that quality specifications or requirements for each question were adhered to. However, a lot more needs to be done for future programs to ensure high quality data. It is my view that the ICP must be treated like any other major survey (or indeed a census), where the principles and steps for quality assurance from data collection to dissemination are applied. It is important that the ICP has an agreed cycle associated with proper planning, i.e. ensuring that the manuals for the different aspects and level of implementation are put in place in advance of the program. In the case of the 2011 ICP round, some of the methods and procedures were not in place until the program had advanced and this led to delays. In some cases it resulted in abandoning or changing to a new approach. Secondly, the issue of the importance and use of ICP data has to be addressed, and instigate ownership of the program in countries so that it is not viewed as a World Bank or AfDB program. Currently, the ICP is viewed in many quarters as an activity imposed by World Bank and AfDB for their own benefit. And this has a bearing on quality assurance measures. And finally, the resources for the program must be secured in advance with a clear definition of the components to be supported by the national governments, and international development agencies and partners. Without adequate funding, data quality cannot be assured.

Q4. How are countries in Africa benefiting from their participation in the ICP? What measures should be taken in the future to ensure that countries reap the maximum benefits from this exercise?

As indicated earlier, ICP in Africa is designed in such a way that it assists in building capacity in participating countries, in the areas of national accounts and price statistics. Technical assistance is provided to countries on a need-basis to help develop sustainable statistical systems and therefore, countries participating benefit from resources available in the program. However, although countries have improved their statistical systems, the development has not been uniform due to different levels of economic development. Countries with better performing economies have used the program to accelerate the progress of the

national statistical system since the national governments are able to put in counterpart funds. Poorer countries especially, those emerging from war or conflict, have not had the same experience. Such countries need more resources and technical assistance to make a big leap in statistical development.

For future programs, as mentioned earlier, there is a need to agree on the cycle of ICP round and also develop an advocacy strategy that will ensure that the program is not only supported by international agencies and development partners but also by the national governments. The strategy should focus on the use of the ICP data at national as well as within the sub-region and between and/or among sub-region/regions. In addition, there is need to ensure that capacity in national statistical systems is built in computing PPPs and other related indicators. This will help participating countries increase their support to the program as the benefits accruing to them are clearly visible – thus, maximizing benefits from the program.

Q5. Please describe any differences between ICP 2005 and ICP 2011 in Africa. In addition to the global objectives, how can the ICP 2011 round better support countries in Africa?

I was not part of the ICP 2005 and therefore I may not be able to give a fair assessment in comparing the two rounds. However, from the literature available, it seems the ICP in 2011 has improved in its approach and delivery. The ICP 2011 design and approach makes access to relevant materials much easier through the ICP Global website. Some materials have also been made available in Arabic, English, French, and Spanish but there is a need to make all materials available in all languages of participating countries including Portuguese. The information on the process and the methodologies being applied is readily available. In the past it all seemed like a “black box”, the computations were only privy to a small group of people. This time in the 2011 round, a number of expert groups have been set-up to discuss proposed methodologies. In addition to the Technical Advisory Group, other groups including Validation Experts Group, Group of Experts on National Accounts and Regional Coordinators forum were formed. These groups have facilitated easy understanding of what was perceived as a “black box.” In addition, the Global Office is not micro-managing the regional programs as it has provided some leverage to regions to make decisions as long as they are not in conflict with the global objectives.

In terms of how the ICP 2011 global management can support countries in Africa; first of all it is important to recognize that the needs to improve statistical systems in Africa are

greater and more pronounced compared to other regions. And naturally, this means more resources are required, both in terms of financing as well as technical assistance particularly in areas of prices, national accounts and other areas which contribute to the quality of the data. Now that the ICP 2011 is in its last leg of implementation, the Global Office should work very closely with regional offices to ensure that the validation process realizes the intended objectives by ensuring its participation in the remaining scheduled validation workshops. In addition, it should provide assistance in revaluing the expenditure estimates of 2005 to make them comparable to 2011.

2013 Milestones and Activities

February	8th Executive Board and Regional Coordinators meetings
March	Submission of semi-final price data for all regions (Household Consumption and Special Surveys) Submission of preliminary 2011/ revised 2005 National Accounts data
May	9th Regional Coordinators and 8th Technical Advisory Group meetings
June	Submission of final data for all regions (Household Consumption, Special Surveys and National Accounts) Preparation of the Interim Report to the Executive Board
September	10th Regional Coordinators and 9th Technical Advisory Group meetings
October	Submission of final 2011 price data and metadata Submission of final 2011 National Accounts data and metadata Submission of final Regional PPPs
November	9th Executive Board meeting Preparation of the Report to the 45th session of the United Nations Statistical Commission
December	Release of 2011 Global PPPs and results

International Comparison Program (ICP)

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