



# AfDB



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## From the ICP-Africa Regional Coordinator

DEAR READERS,

The 2011 round of the International Comparison Program for Africa officially kicked off this January with national coordinating teams on board to begin the price data collection for household consumption items. As of March 2011, 36 countries had completed the training of data collectors and had begun data collection activities. A number of challenges remain, including a lack of sufficient resources in some countries for data collection. In early March 2011, the African Development Bank agreed that since the ICP is part of the Statistical Capacity Building program, countries could use some of the funds earmarked for other activities within the program toward the ICP 2011 round data collection activities. The Bank communicated this information to all participating countries. The regional coordinating team, together with the subregional organizations, worked closely with the countries to revise their ICP-2011 implementation budgets. I am pleased that the continuing partnership between the regional coordinating team, sub-regional organizations, and national coordinating teams will allow us to meet these as well as other challenges.

I welcome you to the second issue of the ICP-Africa Newsletter, which includes articles from some of the national coordination teams. I would like to thank the teams for submitting very informative articles regarding the events and the conduct of the ICP 2011 round during the first quarter of 2011. I would like to encourage all national coordinating teams to send articles on what is happening during the undertaking of this very important global exercise. The idea is to keep everyone informed of important issues concerning the ongoing activities in participating countries. We shall continue to rely on ICP national coordinating teams (i.e. experts on price statistics and national accounts) as well as the ICP coordination teams in sub-regional organizations to contribute to the Newsletter in a number of areas, including: their experiences and observations concerning data collection, good practices in supervision, how well the product list is being adhered to, challenges encountered in specific geographic areas, challenges of consistency in product identification, completion of national accounts forms, challenges in national accounts compilation in relation to GDP breakdown, and any other areas of general interest, including best practices of data checks and validation. In the meantime, I hope you enjoy this second issue of the ICP-Africa Newsletter. I would like to take this opportunity to thank our editorial team. As always, I look forward to your feedback.

Regards,

OLIVER J.M. CHINGANYA,  
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Statistical Capacity Building Division, Statistics Department

## Regional Coordination News in Brief

### 1 Brief Regional Status Report for the ICP 2011 Implementation in Africa

The 2011 ICP-Africa round was launched by the AfDB in Nairobi, Kenya, in June 2010. Since that time, the AfDB has assisted participating countries in various tasks related to its implementation, as detailed below.

#### National Accounts

- The Global Office has developed five national accounts forms to be used for the improvement of countries' national accounts, especially for the development of metadata and the compilation of Supply & Use Tables (SUT). In order to assess the workload of the national accounts experts in completing the forms, during the first quarter of 2011, AfDB missions were conducted to Ethiopia, Ghana, Kenya, Lesotho, Morocco, and Zimbabwe. The findings have shown that although the national accounts experts appreciated the usefulness of the forms, the process of completing them requires massive human resources which in many countries are not available. Following the meeting in February 2011 of the ICP National Accounts Group in Washington, it was agreed that only Forms 1 and 2 should be completed. African countries have therefore been requested to complete the two forms, with an emphasis on Form 1.
- With a view to ensuring the consistency and comparability of GDP expenditures and detailed expenditure weights for ICP-Africa PPP computa-

tion, a regional program to assist countries using SUT is being developed.

- The Technical Advisory Group (TAG) has recognized that informal construction is an important subsector of the construction industry in many countries, particularly in Africa. It has therefore agreed to include the informal sector in the data collection on construction and has requested the ICP Global Office and the AfDB to take the lead in preparing guidelines on components that could be priced to represent informal dwelling construction and potential weights. Five countries were selected to participate in the pilot study. A draft Concept Note was presented at the 5th TAG meeting in Washington in April 2011 and a pilot study is due to start during the second half of the year.
- A pilot survey for machinery and equipment goods in five countries (Cameroun, Kenya, Senegal, South Africa, and Tunisia) is currently under way, based on instruments provided by the ICP Global Office. The survey is being conducted by AfDB consultants jointly with the National Statistics Offices (NSOs) of the countries participating in the pilot survey.

#### Price Statistics

- The Household Consumption Item's list for the African Region was finalized in September 2010. It is composed of 1,016 products (including 573 items from the Global Core List (GCL) and 443 items from the 2005 African list (AFR list)). So far, 40 countries have submitted their Matrix of Availability and Importance. The remaining countries are expected to submit their Matrix during the second quarter of the year.

- The Regional Product Catalog has been sent out to countries to facilitate the implementation of the survey. Their findings during the first quarter of data collection will be discussed during the next Africa Regional Meeting on ICP, scheduled for June 2011. The Regional Items list will then be adjusted accordingly.
- Twenty-six countries (Botswana, Burundi, Cape Verde, Central African Republic, Comoros, Congo, Congo Dem. Rep., Côte d'Ivoire, Guinea-Bissau, Lesotho, Liberia, Malawi, Mali, Mauritius, Morocco, Niger, Rwanda, Senegal, Seychelles, South Africa, Sudan, Swaziland, Togo, Uganda, Zambia, and Zimbabwe) started data collection in January 2011. An additional 10 countries started the data collection post January 2011. So far, price data collection is being conducted in 36 out of 52 countries, covering market transactions for household consumption expenditure. This includes the whole range of goods and services consumed by the households, but excludes expenditure for rent on residential buildings, education, and medical services. These items will be covered in other surveys. In 24 countries, major towns, districts and cities are covered, while in 12 countries the data collection is extended to rural areas.

- In collaboration with three Statistical Training Centers (STCs), in the first quarter of 2011, the AfDB organized three sub-regional workshops on the ICP Tool Kit developed by the Global Office: (i) from February 21–25, 2011, SADC country representatives were trained at EASTC in Dar es-Salaam in Tanzania; (ii) from March 7–11, 2011, a workshop for COMESA countries was held at ISAE-Kampala in Uganda; and (iii) from March

14–18, 2011 a workshop for ECOWAS French-speaking-countries was held at ENSAE-Dakar in Senegal. These workshops were guided by the Training of Trainers Workshop on the ICP 2011 Kit which was held in Tunis, Tunisia in November 2011 for AfDB, SRO, and STC staff. In total, 30 countries attended the training sessions. The remaining countries are expected to send participants to the workshops scheduled for May–June 2011.

### Funding

- In 2008, the AfDB mobilized financial resources for the second phase (2009–2010) of its statistical capacity building program (SBC II) for low-income country members (ADF countries). ICP activities focused on national accounts, and price data collection of household consumption items on a quarterly basis in capital cities were also supported by the program. However, due to delays in the implementation of the SCB II and the poor financial absorption capacity of some countries, the program was extended to December 2011. It was not possible to budget afresh for the ICP 2011 round, as there were already funds in the SCB program for light ICP activities. In addition, some countries had problems in submitting their expenditure justifications to the Global Office, which was a precondition for the release of any additional funding. This situation led to delays of the program in some ADF countries.
- Concerning middle-income countries (ADB countries), no resources were allocated to them under the SCB II program. Consequently, recourse was made to other sources of funding, including the Middle Income Country (MIC) Fund. Administrative and other

procedural requirements for providing MIC Funds have since been resolved and funds have started to be released. There are however a few countries whose application for MIC Funds have not been concluded. Arrangements have been made to follow up with the authorities in these countries to resolve pending issues.

## 2 The First 2011 ICP National Accounts Working Group (INAG) meeting, Washington DC, February 16-17

The African Development Bank's ICP coordinating team participated in the first meeting of the 2011 ICP National Accounts Working Group, which was held on February 16–17, 2011 at the World Bank, Washington DC. The main objective of the meeting was to review the terms of reference of the INAG and make recommendations on how best to assist the Global Office, so that the ICP 2011 round may be implemented without major difficulties. It was envisaged that lessons learned from the ICP2005 round would feed into this process.

The purpose of the INAG is to support the Global Office in ensuring that GDP expenditures compiled by the countries participating in the 2011 round of ICP are sound. This means that these expenditures should adhere to the SNA-93, have complete coverage of the goods and services within the SNA's production boundary, and be as consistent and comparable as possible across the countries. In addition, the INAG is expected to advise the Global Office on the procedures to be adopted to ensure that the most detailed (basic heading) expenditures are provided by participating countries.

Following extensive discussions, the INAG agreed on a five-pronged strategy to support the countries in the compilation of their GDP expenditure statistics in a consistent and comparable manner. The five strategic lines are summarized below.

- **Identify problematic areas:** An initial priority list of major problematic areas that emerged from the ICP 2005 round in countries' national accounts was established. It includes: FISIM; actual and imputed rents for dwellings; government consumption/occupations; consumption of fixed capital for government; own account production and consumption (including subsistence agriculture); and final expenditures of non-profit institutions serving households. This list should be supplemented with inputs from Regional Coordinators.
- **Refer policy issues to the ICP Executive Board:** The requirement for the maximum consistency possible among economies' GDP data may result in many economies changing their GDP levels. A critical policy issue arising is to seek the ICP Executive Board's reaffirmation of the 2005 ICP policy, whereby the national accounts to be used for ICP purposes consist in the official national accounts of the economies. The other policy issue concerns the revision of PPPs in 2015 or beyond, when official GDP estimates will have been finalized in most countries. These two issues will be referred to the Executive Board for discussion. The Technical Advisory Group (TAG) will agree on the recommendations to be submitted to the Board to inform its decisions.
- **Develop a Model Report for expenditure data and metadata.** The Global Office will develop by August 2011 a

country case study, showing how basic heading expenditure values can be estimated in practice. Each country will then estimate their expenditures, learning from the Model Report on Expenditure Statistics (MORES). Countries will also use the National Accounts Form 1 which remains obligatory, whereas the other four forms are seen as useful tools that economies may use if they choose to do so.

- **Build capacity for the compilation of GDP expenditures:** Countries will be trained on the national accounts tasks to be carried out and on all related approaches and methods. This will be done through technical assistance missions (on a needs basis) and regional workshops that will address: basic concepts; the estimation and reporting of expenditure values and meta-data; the review of selected problem areas; the treatment of comparison-resistant services; and data validation. The estimation of basic heading expenditure values will be carried out according to five approaches (direct estimation; extrapolation from recent years; borrowing per capita quantity; borrowing category structure; and using expert opinion). About four workshops are to be organized per sub-region over the program's lifespan.
- **Validate expenditure data for quality, consistency, and comparability:** The validation procedures will be implemented at country, regional, and global levels. They will consist in basic checks, comparisons of values reported with international data bases, as well as comparisons of per capita real expenditure values.

The following three recommendations were formulated:

- 1) Reliability of converting national accounts statistics expressed in local currency units to a common currency using PPPs depends on the accuracy and comparability of GDP expenditure values at the different levels of the ICP classification reported by participating countries. This is a big challenge for our region, since most RMCs' national accounts systems are weak. The Bank should reinforce its technical assistance to countries and organize specific workshops to train NSO staff in ICP-related national accounts issues.
- 2) Meta data reporting forms developed by the GO, although deemed useful, raised almost unanimous concerns in terms of the burden they would place on the national accountants. The meeting resolved that:
  - only form 1 (data provision) is obligatory;
  - form 2 (metadata) is required as a guiding tool for 2011 only. However, countries that can complete the form are encouraged to do so. Countries should consider it as a template for the types of adjustments to be made and meta-data to be reported on, whatever format the countries deem appropriate; and
  - forms 3 to 5 are equally seen as useful tools that economies may use if they choose to do so. They are provided to assist countries in their calculations and editing.
- 3) Use of supply and use tables (SUT) is the best way to derive basic heading expenditure estimates that are reliable and consistent for ICP purposes. It was reported that the Asian Develop-

ment Bank has been successfully implementing a regional technical assistance program that has helped most of countries in Asia and Pacific region to develop SUTs. The AfDB should emulate the same approach.

### **3 The 42<sup>nd</sup> session of the United Nations Statistical Commission (UNSC), February 18-25, 2011 and the 4<sup>th</sup> ICP Executive Board, New York, February 20, 2011**

The Director of Statistics Department at AfDB and some of the members of the ICP Regional Coordinating team participated in the 42<sup>nd</sup> session of the United Nations Statistical Commission from February 18–25, 2011. In addition, they attended the 4<sup>th</sup> ICP 2011 Executive Board on February 20, which was organized as a key side meetings of the session.

The ICP Global Office of the World Bank presented a report on ICP 2011 to the Commission. Following the presentation, the AfDB delegation commended the Global Office for the innovations introduced in the 2011 ICP round through the Technical Advisory Group. The delegation supported the overall timeframe set for undertaking various activities of the ICP. It informed the Commission that in the 2011 ICP round in Africa, of the 52 countries who had committed to participate, about half had started data collection in January 2011. The rest were expected to start by the end of March 2011. In addition, the delegation informed the Commission that a few countries would start a little later because of the recent developments in North Africa.

The AfDB delegation also informed the Commission about the 2007 Accra De-

claration by Heads of National Statistics Offices in Africa to integrate the ICP activities into their CPI and national accounts compilation activities. Furthermore the Commission was informed that the AfDB has designed the ICP-Africa to also serve as a capacity-building platform for price statistics and national accounts in Africa.

During the 4th meeting of the ICP 2011 Executive Board on February 20, 2011, the ICP Global Office manager and the different regions presented progress reports. The discussions focused on three key issues: (i) countries' participation and the progress made in data collection; (ii) launch of the ICP National Accounts Group (INAG); (iii) impact of extended prices data collection in China on PPP computations; (iv) data access policy. The following is a summary of decisions taken by the Board:

- **Country Participation:** The next interim report to the ICP 2011 Executive Board, due in June 2011, should include an update on the actual and any foreseeable impact in Africa and Western Asia on the relevant country participation and regional coordination, as well as a contingency plan for countries that cannot implement the program at the full GDP level.
- **National Accounts:** The Global Office was urged to inform the Board of the current INAG membership. The Global Office was asked to submit to the Board, by April 2011, an INAG report on the impact that GDP exhaustiveness and SNA-compliant approaches will have on the treatment of some expenditure areas in the context of countries' GDP levels. This takes account of

the ICP 2005 requirement that official GDP figures should be used exclusively for the ICP 2011 round also. The Board urged the Global Office to ensure that coordination is established and that synergies are explored between the ICP program (including the work of INAG) and other SNA working groups, such as the SNA 2008 implementation working group.

- **Technical Advisory Group:** The Board requested the TAG to submit by May 2011, through the Global Office, a technical note on the regional and/or global PPP impact (if any) of China's pricing all 601 items from the Global Core list, instead of a subset of it. The latter "subset" approach is the one that all economies in the Asia and Pacific region jointly agreed to include in their price surveys. The global linking method to be applied in the current round should be presented to the Board by May 2011, for endorsement. Any other TAG recommendations on major methodological innovations should first be referred to the Board for decision, on a non-objection basis, before being relayed to the countries for implementation.
- **Data Access Policy:** The overall process of developing the data access policy will entail two stages whereby: (i) the Global Office will review the current version of the data access principles against the recommendations and suggestions set forth in the meeting, encouraging Board members to provide additional comments (if any) by 11 March; (ii) by June 2011, a new version of principles and a very first draft of procedures should be prepared and circulated to the Board for written com-

ments. At its October 2011 meeting, the Board will discuss and strive to reach an agreement on both the principles and procedures.

#### **4 The Asian Development Bank Conference on the Development of the International Comparison Program for Asia and the Pacific; Manila, Philippines, March 8-12, 2011**

As part of the effort to harmonize and improve approaches and methodologies for the 2011 ICP round, the AfDB<sup>1</sup> was invited to attend the ICP conference for the Development of the International Comparison Program (ICP) for Asia and the Pacific. This conference was organized by the Asia Development Bank in Manila, Philippines, from March 8–12, 2011.

During the conference, the AfDB presented the progress made by the Africa region in preparation for the 2011 ICP round. It also highlighted the workshops and other activities that had taken place, in addition to the challenges of implementing the Program in Africa. The AfDB also participated in discussions and decisions reached on various topics, including the dissemination of the 2009 PPP updates and the field assessment of the 2011 ICP Household Product list.

#### **Dissemination of the 2009 PPP updates**

The meeting on the dissemination of the 2009 PPP updates was attended by Heads of National Implementing Agencies of Asia and Pacific region. The main objectives of the 2009 PPP updates are

<sup>1</sup> The AfDB has been managing the ICP-Africa program since 2002.



to: (i) improve harmonization of ICP with CPI price collection activities in National Statistical Offices (NSOs); (ii) mainstream ICP price collections in the regular surveys; (iii) update the 2005 PPP estimates to 2009; and (iv) sustain and support the development of NSO expertise in the price collection methodologies.

In terms of data requirements, a price collection survey was conducted in 2009 for Household Products (279 out of 656 products from the 2005 full list), basic inputs for construction (10 basic inputs out of 11 in 2005), products for machinery and equipment (61 products out of 106 in 2005), and updates on individual and collective government consumption (the same set of 50 government positions in 2005 for compensation of employees). In most economies, prices were collected in capital cities only and adjusted to the national levels, using price data from consumer price indices (CPI) or other information.

The 2009 PPP updates in the Asia and Pacific region show that inter-benchmark PPPs, calculated using a core or reduced product list and at a reduced cost, are feasible. In addition, the viability of “updates” as an alternative to extrapolations was established. Conducting an update for 2011 (based on 2005) and comparing the results with the benchmark results of the 2011 round would be a good way to ascertain the methodology and accuracy of the 2009 PPP update results.

### **Field Assessment of the 2011 ICP Household Product list**

The following issues arising from the January–February 2011 price collection were discussed: (i) changes in specification (the need to tighten specifications);

(ii) the splitting of products; (iii) products for deletion; and (iv) finalization of the product list. Some editing and validation procedures were also presented, together with a brief introduction of the ICP Asia Pacific Software Suite.

## **5 The 5th TAG Meeting (April 18-19), the 4th Regional Coordinators’ Meeting (April 20-21), and the 1st Training of Trainers on ICP Data Validation Workshop (April 22, 25-26, 2011)**

The ICP Regional Coordinating team attended the 5th ICP Technical Advisory Group (TAG) meeting that was held on April 18-19, 2011, the 4th Meeting of the Regional Coordinators on April 20-21, 2011, and the ICP-Kit and Validation workshops on April 22, 25–26, 2011. The main outcomes of these meetings were as follows:

**The 5th Meeting of the ICP Technical Advisory Group (TAG):** The meeting was attended by TAG members and by ICP Regional Coordinators as observers. Various technical aspects of ICP 2011 were discussed, including national accounts, linking issues, validation, comparison-resistant areas, and reference PPPs.

The TAG approved a modified version of the method presented by the Global Office for constructing PPPs. Moreover, it made recommendations on the methods for computing basic heading PPPs within a region (weighted CPD), linking basic heading PPPs across regions (two-stage process), and linking the above basic headings across countries (country-approach with redistribution).

The TAG recommended that the final stage of data validation be undertaken by

a task force consisting of some staff from the Global Office, Regional Coordinators, and some members of the TAG. It also recommended that no region should publish their final results before prices used in the process of linking the regions into global results were validated.

Regarding national accounts, the TAG confirmed that the official estimates of GDP should be used for ICP purposes.

During the TAG meeting, a discussion session was allocated as a second meeting of the PPP Computation Task Force (CoTaF) on April 18, 2011. The Task Force approved its terms of reference and resolved to abide by the principles of confidentiality, transparency, and timeliness in their activities related to the development of computation programs, the PPP computation proper, and the preparation of relevant documentation.

**The 4th Meeting of the Regional Coordinators** took place on April 20-21, 2011 at the World Bank in Washington DC. The Regional Coordinators provided their respective status reports on the implementation of the program and agreed upon the timeline for survey data submission and validation process. On Machinery and Equipment, it was suggested that items with more geographically diversified origins should be added to the list, which was yet to be finalized. On Construction, the agreement was for countries to provide data on inputs, to comply with the newly proposed approach.

The Global Office and the Regional Coordinators discussed inputs on price data that countries would provide to the Global Office for validation purposes. Some regions are reluctant to provide price

quotations, especially since the data access policy has not yet been agreed upon and validated by the Executive Board.

ICP Kit and Validation Workshops took place on April 22 and 25-26, through the auspices of the ICP Global Office. Delegates from the AfDB, United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC), and the United Nations Economic and Social Commission for Western Asia (UN-ES-CWA) participated. The ICP-Kit Workshop, led by the Development Economics and Data Group (DECDG) software development team focused mainly on the regional module. The validation workshop addressed specific aspects related to data requirements and validation procedures for the following areas: Household Consumption; Compensation of Government Employees; Housing; Construction; Machinery and Equipment; National Accounts; and PPPs. It also included presentations and discussions on the main validation tables (Quaranta and Dikhanov).

The participants agreed that the agenda for the upcoming October Regional Coordinators' meeting would include a data validation session. Regional Coor-

dinators would be requested to bring their regional price data for cross-review, with a view to flagging common problems and sharing best practices.

## **6 Meeting of AfDB with the Subregional Organizations on Implementation of the 2011 round of ICP-Africa, Tunis, May 10–12, 2011**

The African Development Bank organized a three-day meeting on the monitoring of the 2011 round of the International Comparison Program (ICP-Africa) in Regional Member Countries (RMCs). The meeting, which was held in Gammarth, Tunis, from May 10–12, 2011, brought together ICP coordinators, ICP national accounts, and price statistics experts of sub-regional organizations (SROs)/Regional Economic Communities including ECOWAS, SADC, COMESA, UMA, UEMOA, ECCAS, and AFRISTAT. It was also attended by representatives from the UN Economic Commission for Africa (ECA), which is a regional partner both for the ICP-Africa program and other statistical capacity-building efforts in RMCs.

The main objective of the meeting was to review the role of the SROs with regard to the implementation of the 2011 ICP-

Africa round. It was resolved that the data collection for the 2011 round for Household Consumption items be revised from a monthly to a quarterly cycle; to be set at the mid-point of each quarter. This adjustment was deemed necessary because of two interrelated difficulties faced by countries. First, the inability to continue fieldwork, and/or limited coverage of data collection zones, because of delays in some countries' submission of their expenditure justifications to the Global Office, which is a precondition before additional funds can be released. Second, there is the increasing burden on countries of managing monthly data, unlike the other regions participating in the ICP 2011 round, whose price data collection is made on a quarterly basis. The decision to revise the data collection cycle received the full approval of the ICP Global Office, as it conforms to ongoing practices in all the other ICP regions. In implementing the new data collection cycle, it is imperative that participating countries collect price data during the designated months, May, August, and November 2011. It has also been recommended that as a safeguard, data should be collected during the months of June 2011 and February 2012. Below is the timeframe for specific surveys.



### The Timeframe for the Other ICP Specific Surveys

Survey	Month of Data Collection	Month of submission to AfDB	Month of submission to ICP Global Office
Housing	June and December 2011	July 2011 and January 2012	August and February 2012
Compensation of Employees	June and December	July and January 2012	September and March 2012
Machinery and Equipment	September, October & November 2011	Annualized data June 2012	Annualized data December 2012
Construction Prices	July, August, September & October 2011	Annualized data December 2011	Annualized data March 2012

Note: National Accounts activities are ongoing until 2013, when the final submission will be made. In the interim, different updates will be provided, either as preliminary or projected.



## Feature

### L'importance de la coordination au sein des INS pour la capitalisation des acquis du PCI

Par Claude Tchamda<sup>2</sup>

Le présent round du Programme de comparaison international (PCI) s'intègre dans un programme plus large de renforcement des capacités statistiques des Etats membres régionaux de la Banque africaine de développement (BAD). Par ce programme, la BAD veut aider ses Etats membres à répondre à une demande de plus en plus diversifiée et exigeante d'indicateurs statistiques de la part de la communauté internationale. Sous l'impulsion de la Commission de statistique des Nations unies, plusieurs groupes de travail ont été mis en place avec pour mission de mettre au point des normes internationales, de faire des recommandations, de formuler des directives sur les pratiques optimales et de concourir à leur application. Les mandats de ces groupes sont régulièrement révisés afin de favoriser le développement des statistiques dans les domaines émergents. Le Programme multinational de renforcement des capacités statistiques qui prend déjà son envol avec le début des opérations de collecte des données du volet prix du PCI s'inscrit dans cette mouvance et il est certain qu'à la fin, les Etats auront à leur disposition plusieurs outils et activités statistiques qu'il faudra internaliser et surtout pérenniser. Il convient donc d'identifier dès à présent quelques facteurs contrôlables qui peuvent favoriser ou non l'atteinte des objectifs poursuivis.

En ce qui concerne le PCI-2005, tous les acteurs aussi bien nationaux que régionaux reconnaissent son impact positif sur les systèmes statistiques nationaux des pays participants. Il convient de reconnaître toutefois que cet impact est plus ou moins prononcé suivant les situations. S'agissant du volet prix plus particulièrement, en plus des données nécessaires au calcul des parités de pouvoir d'achat (PPA), l'on attendait que sa mise en œuvre contribue au moins :

- au renforcement des capacités des cadres des Instituts nationaux de statistiques (INS),
- à l'élargissement du champ, et de la couverture géographique de l'indice des prix à la consommation (IPC),
- à l'accroissement du nombre de produits communs IPC-PCI et favoriser ainsi la pérennisation de ce dernier,
- et à une amélioration de la qualité des IPC grâce notamment à une meilleure description des produits.

Les Etats dans lesquels l'impact du PCI-2005 a été relativement plus visible sont caractérisés par :

- l'intégration dès le départ des activités du PCI dans les activités courantes par une coordination qui permet d'intégrer la collecte des données pour l'IPC et ceux du PCI, le responsable du volet prix étant en même temps celui qui s'occupe directement de la production des IPC ;
- la mise en œuvre pendant ou juste à la fin du programme d'une rénovation du

système de statistique des prix : cette action a permis d'élargir sensiblement le champ des IPC en biens et services et d'améliorer les méthodologies de collecte et de description des produits ; dans certains cas, elle a permis aussi d'étendre la couverture géographique des IPC en dehors des capitales politique et/ou économique ;

- une relative stabilité des cadres du programme et le transfert interne de connaissances au travers d'un système efficace de travail d'équipe et de recyclage régulier du personnel ;
- une certaine transparence dans la gestion des dossiers techniques aussi bien que des ressources matérielles et financières.

Outre l'absence des éléments ci-dessus, les autres facteurs rencontrés dans quelques Etats qui ont eu tendance à annihiler l'impact des acquis du PCI-2005 sont :

- la mobilité du personnel : bien que cela soit même souhaitée, une mobilité mal gérée casse souvent le rythme des activités et ne favorise pas un bon passage de relais ;
- l'instabilité du personnel : le système de rémunération des activités conjoncturelles telles que les opérations d'enquêtes diverses, caractérisé par le versement des primes et des frais de missions relativement consistants, tendent à déstabiliser les activités classées comme courantes. Les cadres sont enclins à aller vers ces opérations et se déchargent momentanément d'une partie de leurs activités sur un personnel moins qualifié ;

<sup>2</sup> Expert en statistique des prix – AFRISTAT.

- la surcharge du personnel cadre : dans certains cas, l'insuffisance des ressources humaines entraîne une surcharge du personnel et principalement des cadres ; ceux qui sont reconnus pour leur dynamisme sont sur plusieurs « fronts » en même temps ;
- l'absence ou l'insuffisance du financement des activités après la fin du programme.

Afin de tirer un maximum de profit des divers outils et activités qui seront développés au cours de ce programme, il est indispensable que les INS mettent en place une coordination qui assure une forte implication du personnel qualifié. Peut-être devrait-on insister plus souvent sur un meilleur déploiement du personnel au sein même des INS que de parler de l'insuffisance des ressources humaines. Un système plus équitable de rémunération et de motivation du personnel entre les différents services est susceptible de favoriser un équilibre entre l'effectif du personnel et la densité et/ou la qualité des activités menées.

Pour ne citer que les indicateurs ayant un rapport avec les prix, la mise en œuvre de nouveaux indicateurs tels que les indices des prix à la production industrielle et des services, à l'exportation et à l'importation, les indices du coût de la construction et les indices des prix de l'immobilier résidentiel, ne peut avoir des chances de réussir que si des cadres s'y impliquent et dans la durée. Relevons que l'initiative du Bureau mondial et de la BAD d'intégrer dans le présent PCI des composantes pour la construction informel d'habitations et la détermina-

tion des pondérations éventuelles sera d'un grand apport pour la mise en œuvre des indices du coût de la construction des logements et dans une moindre mesure des indices des prix de l'immobilier résidentiel. Ce dernier indicateur est particulièrement demandé depuis la crise des subprime<sup>3</sup> aux Etats unis. Il est aussi utile pour plusieurs pays africains dans lesquels le marché de l'immobilier résidentiel, embryonnaire auparavant, est en plein essor.

Compte tenu des contraintes en ressources humaines et financières, il convient de réfléchir à une coordination qui conduise à une rationalisation du dispositif de collecte des données afin d'éviter le double emploi. Il est possible d'intégrer une partie relativement importante des dispositifs de collecte de ces nouveaux indicateurs à ceux déjà existants du PCI, des IPC, des IPI (indice de la production industrielle) et des statistiques du commerce extérieur. L'intégration des statistiques économiques et sociales même au niveau de la collecte est une recommandation forte de la Commission de statistique des nations unies car elle permet une utilisation efficiente des ressources.

### **The importance of coordination among the National Statistical Offices using experience acquired through ICP**

By Claude Tchamda<sup>4</sup>

The 2011 round of the International Comparison Program (ICP) is part of a broader program of statistical capacity

building in regional member countries (RMCs) of the African Development Bank (ADB). Through this program, the AfDB is assisting RMCs to enable them to respond to requests for statistical indicators from the increasingly diverse and demanding international community. Encouraged by the Statistical Commission of the UN, several working groups were established with the mission to develop international standards, make recommendations, formulate guidelines on best practices, and contribute to their application. The mandates of these working groups are regularly revised to encourage the development of statistics in emerging fields. It is in this context that the AfDB Multi-Country Statistical Capacity Building program in Africa is being implemented. In the end countries will have at their disposal several tools and statistical programs to be adopted and sustained. It is therefore necessary to identify from now on some of the factors that can promote or hinder achieving the objectives of the ICP.

With regard to the ICP-2005, all participants, both national and regional, recognize its positive impact on national statistical systems in the participating countries. It should be recognized however that this impact is more or less pronounced depending on the situation. As regards to the price component in particular, in addition to data needed to calculate purchasing power parities (PPP), it is expected that the implementation of the ICP contributed to at least:

- Capacity building in the National Statistical Offices (NSO).

<sup>3</sup> Aux Etats unis, on qualifie de prime un prêt immobilier présentant toutes les garanties d'être remboursé. S'il est subprime, c'est qu'il est de qualité inférieure. Il y a donc un risque de défaut de paiement, que la banque accepte en prenant un taux d'intérêt plus élevé.

<sup>4</sup> Claude Tchamda is a price expert at AFRISTAT.

- Expand the scope and geographic coverage of the consumer price index (CPI).
- Increase the number of common products in CPI and ICP and promote the sustainability of the latter, and
- Improve the quality of the CPI through a better description of the products.

Countries in which the impact of the ICP-2005 has been quite visible are characterized by:

- Integration at the outset of ICP activities in ongoing operations through coordination that integrates data collection for the CPI and ICP, where the ICP team responsible for the price component is also dealing directly with the production of the CPI ;
- Implementation of the program during or immediately following CPI activities. This action has significantly broadened the scope of the CPI goods and services and has improved the methodologies for collection and description of products. In some cases, it has also helped to expand the geographical coverage of the CPI beyond the political and or economic capitals ;
- A relatively stable framework of the program and the internal transfer of knowledge through an efficient system of teamwork and regular retraining of staff;
- A degree of transparency in dealing with technical issues as well as material and financial resources.

Besides the above elements, NSOs have also encountered some challenges which have tended to negate the impact of the earlier 2005 round of ICP:

- Staff mobility: even though this is desirable, a poorly managed mobility often breaks the rhythm of activities and does not facilitate a good handover;
- Staff turnover: the remuneration system for short-term activities such as survey operations that are characterized by the payment of substantial per diem and DSA tends to destabilize relatively routine activities. Professionals are likely to go to these short-term operations and to temporarily discharge some of their activities onto sometimes less qualified staff;
- Overloading of the senior staff: in some cases, inadequate human resources, has led to overloading staff and mainly professionals or those who are known for their dynamism with simultaneous activities;
- The lack of or inadequacy of funding for activities after the program ends.

In order to get maximum benefit from the various tools and activities to be developed during the 2011 round of ICP, it is essential that the NSOs set up coordination teams that ensure a strong involvement of skilled personnel. The focus should be more on deployment of personnel within the NSO instead of talking about the inadequacy of human resources. A more equitable system of remuneration and motivation of staff in

the different departments is likely to promote a balance between the number of staff and the density and / or quality of activities.

The implementation of new pricing indicators such as price indices of industrial production and services, export and import, the indices of cost of construction and price indices of residential property, can only be guaranteed success if professionals are involved and are long term. It is of note that the initiative of the ICP Global Office and the AfDB to incorporate into the present ICP, components for informal housing and the determination of possible weights, will be a great contribution to the implementation of indices for cost of construction and to lesser extent price indices of residential property. This indicator is particularly demanded since the subprime<sup>5</sup> mortgage crisis in the U.S. It is also useful for several African countries where the housing market was nascent at first, and is now booming.

Given the constraints in human and financial resources, the ICP-2011 should consider coordination of a data collection system that avoids duplication. It is possible to incorporate components of these new indices into e already existing data collection instruments such as ICP, CPI, the IPI (industrial production index) and trade statistics. The integration of economic and social statistics into the data collection system is a strong recommendation of the Statistical Commission of the United Nations because it allows for efficient use of scarce resources.

<sup>5</sup> In the United States a typical mortgage loan has all the guarantees for repayment. A subprime mortgage loan on the other hand is synonymous with lower credit rating, in that it comes with a high risk for default. A mortgage institution/bank will therefore attach a higher interest rate for such a loan.

## Spotlight

### News from countries

#### ZIMBABWE: Price Data Collection

Preparatory activities for ICP-Africa price data collection started in the last quarter of 2010 and included (i) a training of trainers' workshop conducted in November 2010 in Chinhoyi, Mashonaland West Province and (ii) training of enumerators in Gweru, Midlands Province in December 2010. ICP-Africa data collection from each of the 10 provinces of the country and covering both rural and urban zones started in January 2011. This nationwide data collection is scheduled to be conducted monthly over a full year.

The ICP-Africa data collection process is making use of the CPI infrastructure in terms of enumerators and outlets. Provincial supervisors monitor enumerators' work and visit sample outlets to check on the quoted prices. Statisticians from Head Office also carry out supervision missions every month to ensure data quality.

The collected data are brought to the Head Office in Harare, where they are processed centrally using data entry screens from the regional coordination.

#### UGANDA: Price Data Collection

The training of data collectors for the 2011 ICP-Africa round took place during the period February 7–16, 2011. Both newly recruited staff for the 2011 ICP round and those that were already in service were trained in both ICP concepts and in the survey instruments sent by the African Development Bank (AfDB). The training mainly covered pro-

duct descriptions, with the aim of familiarizing data collectors with products in the field. Several cases of deviation of product characteristics from the required ones were discussed and recommendations were made on what to do in each case. For example, products whose specifications deviated slightly from the required characteristics were identified; further, data collectors were instructed to price them, but to clearly indicate the deviations in the data collection form under the "Remarks" column. Products with the required characteristics but different outlet types were also identified and data collectors were requested not to price them.

Prior to the above training, price data collection started in January 2011 and is being conducted by existing staff within the Prices section of the main establishment and by those on the Statistical Capacity Building Program (SCB), who had been involved in the ICP-Africa data collection. For the purpose of price data collection, the county has been divided into five regions: Kampala and neighboring areas, Central, Western, Eastern, and Northern. Nine urban data collection centers for the National CPI were selected, so that each of the five sub-regions is represented. In order to fulfill the requirement of collecting ICP prices from both urban and rural areas, nine rural data collection areas close to the chosen urban areas have been selected. Data collection covers food, beverages, tobacco, recreation, culture, furniture, operations, clothing, footwear, transport, communication, and other goods and services.

Field activity supervision is undertaken by supervisors with one (at the regional level) to four (in Kampala) data collectors per supervisor. In addition to supervision, a

field supervisor collects prices for specific products. For every region, there is a regional supervisor who, among other activities, is responsible for: collecting and verifying data from the field supervisors, collecting field reports; writing a summary report; and helping the Head Office with financial accountabilities for all the staff within his/her region. At the national level, the administrative and technical teams work jointly to carry out national supervision, focusing on the quality of field operations, the representativeness of the outlets, assessing support of the area's local council administrations, addressing identified field problems, sensitizing relevant stakeholders, and soliciting support and other issues related to administrative and technical aspects of the ICP data collection.

For the purposes of the ICP-CPI integration, 145 products from the ICP-Africa product list have been identified and have been integrated into the regular CPI data collection questionnaires. The 145 products fall under Food as a division and will be priced along with the National CPI. In addition, during the re-basing of the Uganda national CPI, most of those products would be incorporated into the National CPI.

#### TUNISIE : Le cycle 2011 du PCI Afrique et la révolution tunisienne

La Tunisie a participé aux cycles 1980, 1985 et 1993 du PCI sous l'égide d'Eurostat. Après sa participation réussie au cycle 2005 du PCI avec la coordination de la Banque Africaine de Développement, la Tunisie entame la cession 2011 avec un événement remarquable. Ainsi, après avoir programmé le lancement de l'enquête des prix PCI pour le 15/01/2011, une révolution est interve-



nue dans le pays. De ce fait, plusieurs décideurs et responsables ont été démis de leurs fonctions, dont le Directeur Général de l'Institut National de la statistique et le Ministre chargé de la statistique. L'équipe du PCI en Tunisie s'est ainsi

Pour les données PCI du mois de janvier, il est prévu d'utiliser les données de l'IPC du mois de janvier pour récupérer les prix des produits communs au PCI et à l'IPC. La saisie des informations collectées et le contrôle de la qualité des prix

the auspices of Eurostat. After its successful participation in the 2005 round of ICP with the coordination of the African Development Bank, Tunisia began the 2011 ICP round with a remarkable event. Shortly after the launch of the survey of prices for ICP on January 15, 2011, a revolution occurred in the country. As a result, many policymakers and officials were dismissed, including the Director General of the National Institute of Statistics and the Minister responsible for Statistics.



trouvée dans une situation inconfortable pour pouvoir mener à bien son travail. Sans budget et sans décideurs qui peuvent engager des dépenses sur le compte du budget national, la solution a été de faire le minimum en attendant le règlement de la situation. Ainsi l'enquête des prix des produits hors IPC a été lancée à la mi-février 2011 dans la capitale.

sont dans l'attente du choix de logiciel de travail par la BAD.

#### **TUNISIA: The 2011 round of ICP Africa and the Tunisian Revolution**

Previously, Tunisia participated in the 1980, 1985 and 1993 ICP cycles under

The ICP team in Tunisia was found in an uncomfortable position to be able to complete its work. Without a budget and without decision-makers who could approve the budget and expenses, the solution was to do the minimum pending the resolution of the situation. Thus the survey of prices excluding CPI was launched in mid-February 2011 in the national capital. ICP data for January is expected to use the CPI data for January to cover the prices of common products in the ICP and CPI. Data input of collected price information and quality control, however, are pending, subject to the choice of software selected by the AfDB.



## Upcoming Events

### **The 3<sup>rd</sup> Regional Training Workshop for ICP-Africa, Pretoria, South Africa, June 20-24, 2011**

The 3<sup>rd</sup> regional workshop to review the first quarter's price data collection, as well as redefining general guidelines of the ICP 2011 Round, will be held on June 20-24, 2011 in Pretoria (South Africa). During this workshop, participants will validate the data on prices and national accounts collected during the first quarter of 2011 and will discuss ways to strengthen the organizational and methodological aspects of ICP 2011.

### **HCPI Workshop for COMESA and SADC member countries, June 25-27, 2011**

A joint workshop on Harmonized Consumer Price Index (HCPI) activities with CO-

MESA and SADC secretariats will be held in Pretoria, South Africa, on June 25-27, 2011. The main objective of the workshop is to review Stage I of the activities; and discuss the draft regulation of Stage II.

### **The 10<sup>th</sup> AGNA Meeting, Pretoria, South Africa, June 25-27, 2011**

The 10<sup>th</sup> AGNA meeting jointly organized by the AfDB and the ECA will be held in Pretoria, South Africa, from June 25-27, 2011. The objectives of the meeting are to:

- i. Review the ProDoc on the implementation of the 2008 SNA in Africa;
- ii. Launch the implementation tools (statistical information sheets, the self-assessment diagnostic tool, the framework for setting goals and actions to reach the goals) to comply with the African Strategy for the implementation of the 2008 SNA;

- iii. Launch the study on the impact of the implementation of the 2008 SNA in Africa; and
- iv. Launch the price component of the AGNA.

The meeting will be attended by national accounts experts from regional member countries, by representatives from Regional Economic Communities, Sub-regional Organizations, ECA, AUC, UNSD, and Central Banks.

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