

# The Value of ICP Participation in Producing Sustainable Benefits for National CPIs: An Illustrative Example

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## **Summary:**

*One of the major benefits of the International Comparison Programme (ICP) is the improvement to national price statistics, national accounts, and statistical infrastructure in participating countries. Thus the ICP is regarded as a catalyst for sustainable capacity building in the longer term. The UK Office for National Statistics (ONS), funded by the Department for International Development, is managing the ICP-Africa Support Project in co-operation with the African Development Bank.*

*This paper describes a feasibility study into the potential for integrating ICP work with national consumer price indices. The study was undertaken in two African countries with the aim of assessing the extent to which each country had made improvements to its CPI as a result of participating in the latest round of the ICP. The paper concludes that the results of the assessment were mainly positive in both countries.*

**Key words:** *capacity-building; CPI; integration; assessments.*

## **Résumé :**

*Un des avantages principaux du programme de comparaison internationale (PCI) est l'amélioration des statistiques des prix nationales, des comptes nationaux, et de l'infrastructure statistique dans les pays participants. Ainsi le PCI est considéré comme un catalyseur du renforcement des capacités à long terme. L'Office pour les statistiques nationales du Royaume Uni (ONS), financé par le département pour le développement international, gère le projet d'appui au PCI-Afrique en coopération avec la Banque africaine de développement.*

*Cet article décrit une étude de faisabilité sur l'intégration possible du travail du PCI avec les indices nationaux de prix à la consommation. L'étude a été entreprise dans deux pays africains dans le but d'évaluer le degré d'amélioration de l'indice des prix à la consommation de chaque pays résultant de sa participation à l'exercice PCI. Le papier conclut que les résultats de l'évaluation sont essentiellement positifs dans les deux pays.*

**Mots clés:** *Renforcement des capacités, indice des prix à la consommation, intégration, évaluations.*

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## 1. Introduction

The International Comparison Programme (ICP) has been in existence since the 1960s. It is a global statistical exercise aimed at producing purchasing power parities which enable the main economic indicators of countries (notably GDP per capita) to be compared in real terms, i.e. removing the effect of differences in price levels which distort the results if ordinary exchange rates are used. A thorough description of the ICP was given in an earlier article in this journal (Lufumpa and Mouyelo-Katoula, 2005). Much more detail can be found on the ICP website:

**<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/ICPEXT/0,,pagePK:62002243~theSitePK:270065,00.html>**

The latest “round” of the ICP has been conducted in respect of the years 2005-06; 144 countries have participated, including 48 in Africa. It is said to be the world’s largest statistical survey.

In addition to the data yielded by the ICP, country participation holds important potential advantages to the countries themselves. ICP participation impacts very heavily on some of the core areas of national statistics. It involves the collection of consumer prices and the prices of capital goods and of items of government expenditure together with the calculation of expenditure weights, derived from Household Budget Surveys (HBS) and the National Accounts, as well as National Accounts values themselves.

## 2. The ICP-Africa Support Project

From March 2005 the United Kingdom Office for National Statistics (ONS) has been managing a three-year project funded by the Department for International Development (DFID), known as the ICP-Africa Support Project. The overall goal of this project is to facilitate a positive outcome to the ICP in Africa and to effectively exploit ICP Africa as a catalyst for sustainable statistical capacity building in the longer-term. It has been operating under the direction of David Fenwick and Ben Whitestone of the ONS, and has been managed in close partnership with the African Development Bank (AfDB)<sup>2</sup>. Through the provision of technical assistance directly to African countries, at regional and sub-regional workshops and to AfDB, it has made good progress towards its dual goals.

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<sup>2</sup>Fenwick and Whitestone (2007). This article outlines the ONS support project and discusses its achievements in the context of assessing whether similar arrangements should be considered for future rounds of the ICP.

ONS has provided support directly to 18 African countries. One example of the work which has been conducted is a feasibility study, commissioned jointly by ONS and AfDB, into the potential for integration of the International Comparison Programme with the Consumer Price Index (CPI) to reap the benefits of the synergies between the two data collection exercises. The study was undertaken in two African countries in December 2006. This paper describes the results of the feasibility assessment and provides an illustrative example of the longer-term statistical capacity benefits of participation in the ICP.

### **3. Capacity Building: Long-term Benefits from ICP Participation**

Given the reliance of the ICP data inputs on the national statistics referred to above, and taking account of the need for ICP data inputs of high quality and international consistency, participation opens up opportunities for making permanent improvements to national accounts and price statistics. Additionally, the ICP experience, with its challenging management requirements, can have spin-off effects across the entire range of national statistics. Just one example is the use of the management module of the ICP ToolPack software in general financial management within national statistics offices.

Previous rounds of the ICP planned to have follow-ups in countries to evaluate the extent to which such ongoing benefits had occurred – and if not, why not. But the massive data requirements, the tight timetables and sheer lack of financial resources prevented such follow-up activity from happening. The latest round of the ICP has taken a major step forward in all aspects of its planning and execution. There has been a much stronger central management (based in the World Bank and supported by regional implementing agencies) and the financial resources have been much greater. Country participation has been at a record level. So the opportunity has arisen this time for at least a limited amount of post-hoc assessment of the accruing benefits of ICP participation.

The African continent has been particularly well covered in the latest ICP round. 48 out of a total of 52 African countries have taken part, coordinated by the African Development Bank (AfDB) acting as the regional implementing agency of the ICP. Indeed, Africa has been one of the most

active regions, and the decision has already been taken to put ICP-Africa on a permanent footing, regardless of any decision on the future of the global ICP. Implanting ICP activities on an ongoing basis in a country is the best way of ensuring (a) better results for the ICP itself and (b) better integration of ICP with other national statistical systems, thereby contributing to sustainable statistical capacity-building which is so crucial in Africa.

#### **4. ICP-CPI Integration: Evaluation**

The latest ICP round covered the years 2005-06, so the assessment missions described above were rather early to make any final judgements of the extent of any benefits resulting from the participation of the two countries concerned. Indeed this was not the main purpose of the missions which was concerned solely with consumer price statistics and the integration of two data collection exercises. This field is a major target for potential improvements resulting from ICP participation, since by far the greatest part of ICP data collection concerns consumer prices; there is a considerable potential overlap between the ICP and the national consumer price index (CPI) systems. It is this which is being referred to in the context of "ICP-CPI integration".

Integration of ICP and CPI work is of two distinct but complementary types. Firstly, given that the bulk of the data input into both projects comprises many thousands of individual price quotations from retail outlets, there is clearly a potential for overlap, in order to prevent excessive work and even duplication. The higher the degree of overlap, the easier and less costly will be the price collection for the ICP. Secondly, given that the ICP is organised globally with carefully chosen products, specified in great detail, and with detailed and very specific rules and procedures for sampling, collection and validation, the knowledge gained by ICP participation should provide permanent improvements to the quality of national CPIs.

Much has been written on the subject of ICP-CPI integration, and some references are provided at the end.

#### **5. Assessment of Current CPIS**

The starting point for each of the two missions was a rapid assessment of the current condition of the CPIs. That was necessary in order to make a judgement of the added value gained by ICP participation. It was felt important to choose a yardstick for assessment before the work started: there are no explicit international rules on how to compile a CPI, even though

there exist a number of guidance documents. The following possible yardsticks were examined:

- The European Union Harmonized Index of Consumer Prices (HICP);
- The West African Monetary Union (UEMOA) Harmonized Index of Consumer Prices;
- The International CPI Manual (published by ILO 2004);
- The ILO Resolution on CPIs of 2003;
- The IMF's Data Quality Assessment Framework (DQAF) requirements.

Since the first two are targeted at Europe and West Africa respectively, it was agreed that they were less likely to be relevant for the situation in the countries being assessed (neither of which is a member of UEMOA). The International CPI Manual, while very comprehensive, was not felt to be a practical help for a relatively short period of assessment. The IMF standards, associated as they are with the Special Data Dissemination System (SDDS) and General Data Dissemination System (GDDS), tend to focus more on CPI management and dissemination issues, with rather less detailed emphasis on methodology. It was therefore agreed with the two countries that the most appropriate standard of reference was the 2003 ILO Resolution on CPI. Both countries are members of ILO and are expected to conform to the Resolution.

Accordingly, the assessments were made with reference to the main headings of the ILO Resolution. They are:

- (a) Scope (geographic, products, population)
- (b) Basis of CPI (acquisition, use, payment)
- (c) Basket and weights
- (d) Price sampling
- (e) Elementary aggregate indices
- (f) Upper level indices
- (g) Price observations
- (h) Price collection
- (i) Replacements (outlets, products)
- (j) Quality changes
- (k) Accuracy
- (l) Dissemination
- (m) Consultations and integrity.

This paper does not describe in detail the results of the assessments made in the two countries. But it is useful to provide a short summary of those areas where it was felt that the CPIs fell short of the standards required to meet the ILO Resolution. The effects of ICP participation may then be judged in relation to the prospects of improving these areas of the CPIs.

- (a) On geographical scope, the two countries differed considerably. One country confined its coverage to a few large cities in several regions, with some small coverage of rural areas close to the cities, while in the other country well over half of all the urban districts were covered – again excluding rural areas. Neither country was producing regional CPIs, though the second country was considering it. Regarding product coverage, both countries followed the ILO resolution in general, in that they did not in principle exclude any legal classes of goods or services. Both countries excluded owner-occupied housing. The treatment of own-account consumption goods (notably the consumption of home-grown food) differed, with one country including it and the other not. As far as the coverage of weights is concerned, both countries included, in principle, the whole population other than institutional households and a few specific groups such as diplomatic households.
- (b) Both countries used the acquisition approach, as reflected in the purchases recorded in the HBS. Given the relatively small sizes of the services sector, the special problems arising from the use of the acquisitions approach for services were not felt to be major difficulties.
- (c) One of the countries used the COICOP classification, both for its HBS and its CPI. The other used a national classification bearing some relationship to COICOP. The basis for the expenditure weights in both countries were out of date (10 years old or more). However, one country made widespread adjustments to its raw HBS results based on a commodity flow approach, while no adjustments were made in the other country. Both countries used the domestic basis of consumption (i.e. consumption by all households on the national territory, as opposed to consumption by all domestic residents regardless of where it takes place).
- (d) The method of selecting the sample of outlets was similar in both countries. In the absence of suitable sampling frames, purposive sampling was used, based on a gradually evolving list of outlets, adjusted as necessary for “births and deaths”. Neither country attempted to cover mobile stalls, and in one country small neighbourhood shops were not covered. Product selection techniques were quite similar, being based on

detailed information from the HBS, and, in one country, a special HBS follow-up survey. Both surveys revealed considerable detail, including specific brands. On the basis of these reported products, both countries selected their sample on a cut-off basis, though the methods used were rather different. One country had a list of around 360 products, while the other had only about 130.

- (e) & (f) Regarding the calculating of elementary aggregate indices, both countries in fact had few if any such indices, since weights were available for each product covered in the survey – even where there were as many as 360 products. (Whether or not the accuracy of such detailed weights was sufficient is another question). Thus, the distinction between lower-level and upper-level indices did not arise. Laspeyres-type indices were in both cases calculated using prices and weights at the product level.
- (g) The two countries differed in their approach to product specifications, one being rather tight (and collectors have no discretion to select close substitutes), and other rather loose. One country had quite specific rules concerning the timing of collection (by day of the month and by time of day etc.), while the other was less rigid. Training and documentation for price collectors was in need of improvement in one country, while in the other improvements had already been made following ICP experience (see section 5 para (o)).
- (h) to (j) For missing outlets or products, both countries used group imputations when possible. One country relied excessively on this method, resulting in a significant proportion of all prices being imputed. Different methods were used when replacement products were introduced into the sample, including linking to show no price increase and (in the same country) linking without any price adjustment. No explicit quality adjustments were made in one country, while in the other country some adjustments were made at head office, using automated methods.
- (l) Dissemination methods were good in both countries, with well-designed press releases issued (though in one country there was no advance publication schedule).

## **6. Assessment of Progress in ICP-CPI Integration**

The following areas of possible spin-offs from the ICP to the CPI were identified:

- (a) Classification
- (b) The quality of weights
- (c) Wider geographic coverage
- (d) Improved coverage of outlet types
- (e) Improved methods of outlet selection
- (f) Aligning the ICP and CPI product lists
- (g) The use of SPDs in improving product specifications
- (h) A better approach to collecting tariff prices and weights
- (i) The use of quality adjustment techniques
- (j) Promoting efficiencies in the price collection process
- (k) Improving methods of data validation and editing
- (l) Improving the methods of index calculation
- (m) Introduction of improved computer systems (hardware and software)
- (n) Improved documentation
- (o) Better standards of staff training and increases in CPI staff resources.

This section of the paper deals with each of the above topics as things stood at the time of the assessment missions. It should be recalled, however, that the ICP work for the 2005-2006 round had scarcely been completed at the time of the mission, so it was not to be expected that the maximum CPI-ICP integration would yet have been achieved. Moreover, in one of the two countries, plans were at an advanced stage for a new CPI, which was expected to take on board a number of changes which resulted from lessons learned from the ICP work. These will be mentioned in this report, even though they had not yet been implemented. Table 1 summarising the assessment of integration is shown at the end of the section.

#### (a) Classification

The ICP classification is COICOP, and this is also the classification recommended in the ILO Resolution. One of the two countries had already moved to COICOP before the current ICP round, so no change was needed. The other country was planning to move to COICOP in its new CPI, and the HBS which was being used as the source of weights for the new CPI had used COICOP independently of the forthcoming ICP.

#### (b) Quality of weights

The ICP demands the highest achievable quality of weights, in respect both of freshness of data and their accuracy. As mentioned in the

previous section, neither country was currently using weights based on an HBS more recent than ten years - planning, executing and analysing an HBS is of course highly resource-intensive. The ICP Operational Manual has the following remark concerning the up-to-dateness of weights:

*“If the [most recent HBS] is more than 10 years old, you will need to make it up-to-date by adjustments to survey data reflecting changes in demography . . . . . or expenditure patterns”.*

There are additional points covering other aspects of weights quality.

One of the two countries already had a relatively sophisticated approach to the calculation of CPI weights, and it was not expected that ICP participation would result in any important changes to CPI methodology in this area, except, possibly, to increase the frequency of the HBS. The other country had carried out an HBS quite recently, so the planned new CPI was expected to use fairly up-to-date weights. On other aspects of weights quality, it did not appear that there was likely to be any spin-off from the ICP.

### (c) Geographic coverage

There are differing needs for geographic coverage as between the ICP and the CPI. The ICP is looking for national average price *levels* at a particular point in time, whereas the CPI measures *trends* over time in the development of prices. It would usually be expected that time trends in different parts of a country would be fairly similar to each other, at least over the medium to long term, so that a reasonably wide geographic coverage might be expected to give a fair estimate of national price trends in the CPI. But price levels may differ according to region or according to whether the prices are measured in urban or in rural locations. The ICP thus demands coverage which will reflect the average level of prices in the entire country.

Notwithstanding the above remarks, some countries are concerned that their CPI coverage fails to reflect national trends, in particular regarding differences in trends between urban and rural locations. Furthermore, some countries produce, or would like to produce, regional CPIs, and for this reason a rather wide geographical coverage is needed. Such countries can benefit from ICP participation as it shows how regional

coverage can be extended, thereby enabling a permanent extension of coverage for the CPI.

One of the two countries, as mentioned earlier, already had a wide regional coverage, albeit restricted to urban areas. The latter omission is probably not serious, as it is likely that the total value of household monetary transactions in rural outlets does not contribute much to the overall national value. This country therefore was unlikely to expect much benefit from ICP participation in respect of geographic coverage. The other country had already benefited from the ICP experience, firstly through the addition of a further city to widen the regional scope, and secondly by extending the CPI (following the ICP) to those rural districts closest to the survey cities.

#### (d) Outlet-type coverage

There are similar arguments here to those regarding geographic coverage discussed above, namely that for the CPI, price *trends* in, say, supermarkets, are likely to be paralleled over the medium to long term by price trends in other outlet types. But price *levels* in different outlet types may remain different over time: markets may always be cheaper than shops, for example. The ICP measures national average prices, thus requiring coverage of all main types of outlet.

As a result of ICP participation, one country had begun to cover supermarkets in addition to its other CPI outlet types – and, in turn, this had allowed an extension of product types to match the types of product sold in supermarkets which were not previously covered in the CPI. These were particularly focussed on products bought by the better-off households. Furthermore, this extension of coverage had permitted the publication of a CPI relating solely to higher-income households, a matter of particular interest in the country concerned.

#### (e) Methods of outlet selection

ICP methods had clearly led to a good deal of re-thinking in both countries about how to select individual outlets for sampling. In general, the ICP has compelled both countries to identify new outlets to enable the appropriate coverage of ICP products. To the extent that ICP products have been incorporated in the CPI, the same outlets have been added to the CPI sample. In one of the countries, the sample of market stalls was increased threefold for most products, and several new supermarkets were added to the sample in the capital city. It

seemed likely that some of the original supermarkets covered by the CPI would be replaced by some of the new ones in order to optimise CPI product coverage.

(f) Aligning the CPI and ICP product lists

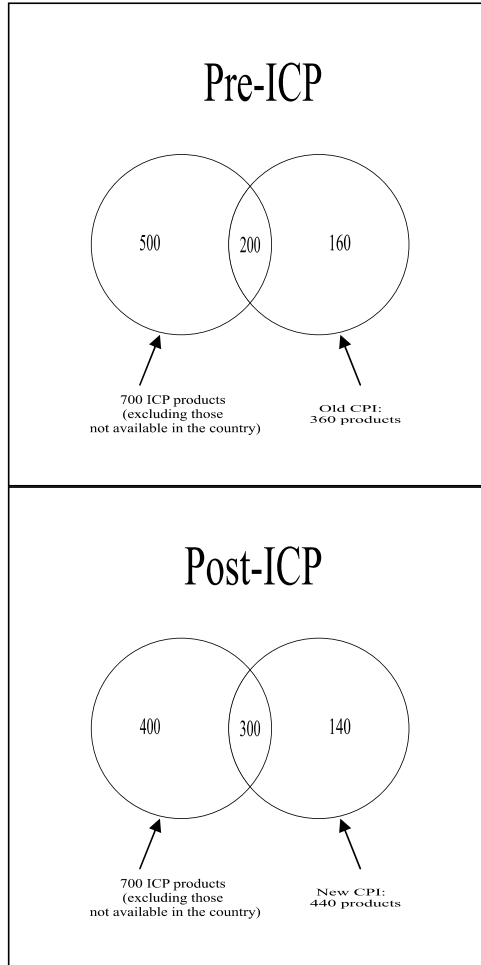
This is potentially one of the most important topics for ICP-CPI integration since it opens up the prospect not only of updating the CPI list to make it more relevant to present day purchasing habits, but of comparing the CPI list with the ICP list to see if the degree of overlap can be increased. The advantage of maximising overlap is that future ICP surveys will be able to make more use of the prices collected for the CPI, thereby reducing the burden of extra price collection on national statistics offices.

Increasing overlap can be achieved in several ways. Firstly, there are some products which have been in the CPI list almost as a matter of tradition. A more relevant product within the same Basic Heading (product group) which is in the ICP list can replace the old product in the CPI list. Secondly, it may be found that the CPI list is unnecessarily long: close comparison with the ICP list can suggest the redundancy of some of the CPI products. Thirdly, some of the products in the ICP list, especially the more “modern” products such as DVD players, may alert the CPI statisticians to the need for adding such products to their list. Fourthly, it may be found that the specifications of a certain product differ only slightly between the two lists. Provided that the ICP product specification is a representative product on the country’s market, the old CPI specification can be replaced with the ICP specification.

Adjustments of all four types will automatically lead to an increased overlap between the CPI and ICP product lists. These changes can be startling. For example, in one of the two countries, where a new CPI product list was being constructed, it appeared that the current overlap rate of products of 55% could without difficulty be increased to 70%. Such an increase would considerably ease the burden of work for the next ICP round without jeopardizing the quality of the CPI – in fact the CPI quality would probably be improved as a result of having more up-to-date product specifications.

The above situation can be visualised in Chart 1 below:

**Chart 1**



From these diagrams it can be seen that in the latest ICP round it was necessary for this country to price 500 products over and above the 360 already priced for the CPI – a “burden ratio” of 1.4 ( $500/360$ ). For the next ICP round (assuming no changes to the ICP list) it would be necessary for only an additional 400 products, out of a total of 440 in the CPI, to be priced – a burden ratio of only 0.9 ( $400/440$ ).

In the second country, the CPI product list had already been adjusted in the light of ICP experience. A broadly similar picture emerged, with a reduction of more than 50% in the burden ratio as defined above. In this country, the overlap rate (i.e. proportion of CPI products in the ICP list) had increased from 40% to 60%.

(g) The use of SPDs in improving product specifications

The SPD is an acronym for “Structured Product Description”. An SPD is a generic description which lists the characteristics relevant to a particular narrow cluster of products. Such characteristics include: quantities and packaging types; representativity in the national market; seasonal availability; product characteristics etc. They have generally been welcomed by ICP participant countries because they impose a valuable framework and discipline across the entire range of products to be priced in the ICP. The question arises as to whether such a tool can be adapted for use in national CPIs.

In one of the two countries, the price collection forms had already been re-designed in such a way as to incorporate some of the features of the SPD, including, crucially, more space for detailed specifications. The previous price collected was also now being shown on the collection form. In the second country, it was felt that the additional paper would be cumbersome for price collectors, but it was said that consideration would be given to possible ways of adapting the SPD format to make it better suited to CPI price collection.

(h) A better approach to collecting tariff prices and weights

Neither country could see any possible advantage accruing to the CPI on this topic.

(i) The use of quality adjustment techniques for replacement products

In both countries the precise items specified in the ICP were always priced, and no changes to CPI methods were appropriate.

(j) Promoting efficiencies in the price collection process

One of the two countries felt that the experience of having very precise product specifications had required more care to be taken by the price

collectors in identifying the correct products. It was thought that this experience would be beneficial for CPI price collection. However, the issue is not simple. Tight specifications had the advantage of ensuring like-with-like comparisons, but on the other hand the price collection process would take longer. The second country could not identify any specific benefits in this respect.

(k) Improving methods of data validation and editing

The data validation tools within ToolPack had been used with great success for the ICP work in both countries. The question arises as to whether this software, or something very similar, can be used with equal effect in the CPI. One country felt that it could be adapted for CPI use but without a new computer system no changes were possible. The other country was planning to use the AfDB's SEMPER software for the CPI data input. It had already been tested and was felt to be very suitable.

(l) Improving the methods of index calculation

One country felt that ICP participation was unlikely to benefit the method of calculating the CPI, especially as there was no need for elementary aggregate indices (see Section 5 (e) and (f) above). The other country was planning to use ToolPack's Excel-based CPI module in their CPI. It had been tested and found to perform well, though some modifications were needed.

(m) Introduction of improved computer systems (hardware and software)

Both countries were able to retain some computers (laptops and desktops) which were provided for the purposes of the ICP. These were being used for CPI work. One country was making use of the statistical management module included in the ICP ToolPack software package. In particular, the financial management tools had revolutionised the financial management methods in the CPI department, and to some extent more widely within the statistical office.

(n) Improved documentation

Both countries felt they had benefited substantially from the ICP documentation, especially the operational manuals for national coordinators and price collectors, which were of considerable value for

the CPI. It was said that even more documentation of this type would be much appreciated.

(o) Better standards of staff training and increases in CPI staff resources

Both countries felt that the training offered as a result of ICP participation had equally benefited staff working on the CPI. The professional training had cascaded down to all levels of the CPI operation in one country. The other country was hopeful that the training regime begun under the ICP could be continued for the CPI. The extension of coverage of the CPI in terms of regions, products and outlets, which had resulted from the ICP work, had also served to strengthen the manpower of the price statistics staff. Some of the extra staff were continuing to work on the quarterly ICP price collection and simultaneously on CPI price collection. In the two countries combined, the number of staff had increased by over a half, though at the time of the mission it was not certain whether all of the extra posts could be retained permanently.

## 7 Conclusions and Pointers for the Future

This paper has described an assessment carried out in two African countries of the extent to which their participation in the International Comparison Programme (ICP) had resulted, or seemed likely to result, in benefits to their Consumer Price Index (CPI) systems. Such benefits have long been seen as an important by-product of ICP participation, but no serious attempts have so far been made to evaluate the extent of any benefits in the wake of an ICP round. The assessment was made not quite at the end of the ICP 2005-06 timetable, so the results are not final. Nevertheless, it succeeded in identifying most of the areas where long-term sustainable benefits to the national CPIs have or will shortly be achieved, and other areas where ICP participation seems unlikely to have resulted in any impact on the CPI. "Impact", in this context, signifies that there is an improvement in one or more aspects of the CPI resulting, directly or indirectly, from ICP participation.

The results of the assessment are summarised in Table 1. A cross (X) signifies that given the particular circumstances of a country it was not to be expected that there would be any impact on the CPI as a result of ICP participation (for example, where a country had already changed to the COICOP classification). The numbers refer to a scale where 0 indicates no impact and 5 a very high impact. The scores are the author's own sub-

jective judgments. It should be noted that a low score does not necessarily indicate a failure of any type. It can mean either that a country has not (for any one of a number of reasons) obtained much benefit in a situation where the potential benefit is high, or it can mean that the country was already in an advanced stage of methodology in that aspect of its CPI.

**Table 1**  
**Summary assessment of impact of ICP on CPI**

**0 = no impact**  
**5 = high impact**  
**X = no impact expected**

	<b>Country A</b>	<b>Country B</b>
Classification	<b>X</b>	<b>X</b>
Quality of weights	<b>0</b>	<b>X</b>
Wider geographic coverage	<b>X</b>	<b>2</b>
Improved coverage of outlet types	<b>2</b>	<b>3</b>
Improved methods of outlet selection	<b>4</b>	<b>2</b>
Aligning CPI and ICP product lists	<b>5</b>	<b>5</b>
Use of SPD in improving product specifications	<b>1</b>	<b>3</b>
Better approach to tariff prices and weights	<b>0</b>	<b>X</b>
Use of quality adjustment techniques	<b>0</b>	<b>0</b>
Greater efficiency in price collection	<b>1</b>	<b>1</b>
Improved methods of data validation & editing	<b>0</b>	<b>4</b>
Improved methods of index calculation	<b>0</b>	<b>4</b>
Improved computer systems	<b>2</b>	<b>4</b>
Improved documentation	<b>3</b>	<b>4</b>
Improved staff training and documentation	<b>3</b>	<b>4</b>

Overall, the results of the assessment are positive. Both countries were able to state that the ICP experience had undoubtedly been beneficial for their CPI in ways that should be permanent. ICP participation can thus be said to have achieved, to some degree at least, its stated aim of achieving sustainable capacity building in participant countries, at least as far as CPIs are concerned. Although this assessment covered only two countries, there seems no reason to believe that the results would have been very different in other African countries.

Some particular issues are worth noting for the next round of the ICP.

- (a) A great deal of time was rightly spent in the 2005-06 ICP in putting together the product lists, for which the starting point was the national CPI product lists. This stage of the work should be much quicker in the next round as a result of the changes made to national CPIs to achieve a higher degree of product overlap. This will also reduce significantly the burden of extra price collection in the countries – provided, of course, that the specifications in the ICP list do not change drastically.
- (b) The quality of weights would be improved if the source data (based mainly on HBSs) could be more up-to-date. While this is not within the province of ICP managers, it provides an additional argument for allocating greater resources to HBS work.
- (c) The design of SPDs could perhaps be influenced by the desirability of using them – or a variant – for CPI price collection.
- (d) More effort could be devoted to installing quality adjustment techniques in national CPIs in line with those used for the ICP.
- (e) The modules in ToolPack for editing and validation, as well as CPI calculation, should be better advertised in countries, and training in these tools should be available. The potential benefits are considerable.
- (f) Documentation at the level of detailed practical advice is felt to be valuable. Much of the ICP Operational Manual became available too late to be of assistance in the 2005-06 round. Updated manuals should be available right at the start of the next ICP round, and widely distributed in participating countries.

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