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Statistical Capacity Building
Division, Statistics Department

From the ICP-Africa Regional Coordinator

DEAR READERS,

The surveys for price data collection for household consumption items and some of specific national accounts activities, are underway in 50 countries. The heads of national statistical offices and the ICP national coordinating teams and as well as the ICP coordinating teams at sub-regional organizations have shown commitment in the implementation of the ICP-Africa to assure their success. Despite the financial constraints that countries have been facing in implementing the program, they have continued to submit price data for household consumption items on time, with only a few lagging in submission by about a month. I wish to commend the countries and the sub-regional organizations for the efforts they are making to ensure Africa continues to participate in the regional comparison program. The continued partnership between the regional coordinating team and national coordinating teams will allow us to meet these as well as other challenges as we endeavour together to build statistical capacity leading to sustained improvements in the national statistical systems of the participating countries. I want to reiterate the Bank's continued commitment to support statistical activities in countries.

The third regional workshop was held in Pretoria, South Africa, and was attended by most of the countries including representatives from the Economic Commission for Africa, sub-regional organizations and the ICP Global Office. The workshop was a success and I want to thank all participants for the fruitful discussion, and particularly for the recommendations and conclusions aimed at improving the ICP-Africa implementation program. During this workshop it was also agreed to hold the next workshop in October 2011. Unfortunately due to circumstances beyond the regional coordinating team, the workshop was postponed to first quarter 2012. This set back has not affected the implementation of the program - thanks to the national ICP coordinating team for the zealously.

I welcome you to the third issue of the ICP-Africa Newsletter which covers the second and third quarters of 2011. We will keep you informed of important issues concerning the ongoing activities in participating countries and at the regional coordinating office. We shall continue to rely on ICP Sub-Regional and National coordinating teams, i.e. Price Statistics and National Accounts Experts as well as the ICP coordinating team at the sub-regional organization to contribute to the Newsletter.

I hope you enjoy this issue of the ICP-Africa Newsletter. I would like to take this opportunity to thank our editorial team. We look forward to your feedback.

Regards,

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Regional Coordination News in Brief

Brief regional status report for the ICP 2011 implementation in Africa

The African Development Bank provides the overall management and coordination of the 2011 ICP implementation in Africa. The ICP 2011 round was launched in June 2010 and it was followed by a preparatory workshop in September 2010 to ensure countries were ready to implement the global exercise as planned in January 2011. The data collection for household consumption items price data collection started during the first quarter of 2011 in most countries.

Implementation of the 2011 ICP-Africa dealt with both price and national accounts

activities which entails conducting surveys, GDP breakdown compilation, collecting National Accounts aggregates and assessing the quality exhaustiveness of National Accounts data.

Price data collection on household consumption items

The initial plan of the ICP-Africa program was that countries collect data for household consumption survey on a monthly basis. However due to resource constraints, the frequency of data collection was changed from monthly to mid-quarter months with effect from June 2011. The new data collection cycle conforms to the Global Office requirements. In this regard, countries were requested to collect data in August, November 2011 and February 2012 in order to conform to the data collection cycle of the global office. In addition, countries

were also requested to submit price data of products which are common to both ICP and CPI for the months when ICP-Africa data collection is not being undertaken.

The Household consumption product list has been updated to include the 16 fast evolving technology products. Data collection forms and a catalogue for these products were elaborated and sent to ICP participating countries along with the data collection guidelines provided by the Global Office. Collection forms of water tariff were also sent to countries.

Starting months of Data Collection

Countries started collecting household consumption items price data at different points during the first six months of 2011 as shown in Table 1.

Table 1 Distribution of start months of data collection for household consumption survey

Months	January	February	March	April	May	June
Number of countries	27	6	4	4	1	2

As stated earlier, the lack of or inadequate resources in some of the countries resulted in variation of data collection points depending on the accessibility to the available resource envelope. The coverage of data collection varies. In some countries only capital cities, others capital and cities and others have a national coverage; thus 29 countries have a national coverage and 16 capital city and or other cities (for some during early months of data collec-

tion). The latter category of countries which started data collection late, extend the coverage to the entire country including both urban and rural zones.

Data Submission

The distribution of data submission by countries to the regional office is presented in Table 2. It indicates the numbers of participating countries which submitted data in January,

February, March, April, May and June. Two types of data were submitted: (i) national household survey data and (ii) data for products which are common to both ICP and CPI.

Forty six, thirty nine and eleven countries have provided the AfDB with household consumption data of the first second and third quarters respectively. The AfDB and participating countries are validating these data using an iterative process.

Table 2 Distribution of data submission for household consumption survey

Months	January	February	March	April	May	June	July	August	September
Number of countries	38	43	45	36	30	23	5	9	2

Data Processing tools at the national level

The Africa region is using updated versions of the 2005 tools MERGE DATAFILE and SEMPER to process and validate the 2011 Household consumption data at the national level. These tools have been tested by countries. Following the tests they identified some deficiencies, which have been addressed and countries were provided with a newer version which now being used for processing of the 2011 data at the national level. The list of the 16 fast evolving

technology products was also included in the latest versions of the tools.

Fast evolving technology

The Household consumption product list has been updated to include the 16 fast evolving technology products. Data collection forms and a catalogue for these products were elaborated and sent to ICP participating countries along with the data collection guidelines provided by the Global Office. Collection forms of water tariff were also sent to countries

National Accounts

For ICP 2011 Milestones, it was decided that all participating countries provide national accounts data for latest year available, in this case 2009. However during the third regional workshop, Burundi and Gabon chose 2008 as the latest year available. National Accounts aggregates have been collected for all the participating countries apart from Angola and Seychelles. In the case of Seychelles, we obtained the National Accounts aggregates from the UNSD database. For Angola,

we got the information from the AfDB data portal. These data have been submitted to the Global office in compliance with the data submission requirements of the Global Office. In total National Accounts aggregates for 51 countries namely, Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo Democratic Republic, Congo Republic, Cote D'Ivoire, Djibouti, Egypt, Arab Republic, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea Conakry, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe. However, the metadata for national accounts are yet to be submitted. Since the launch of activities in January 2011, a number of activities have been undertaken including the following;

- GDP breakdown into the 200 ICP-Africa classification and the 155 Global Office requirement has been completed and submitted to the Global Office for 51 countries. As with the National Accounts aggregates we didn't have disaggregated data for the Seychelles and Angola and therefore the National Accounts aggregates were used from the UNSD and AfDB websites respectively for 2009 and also used the structure of 2007, as provided during the SADC National Accounts data validation workshop held in Botswana. The metadata will be submitted to the global office after the countries complete the Model Report on Expenditure Statistics (MORES) questionnaires sometime in the first quarter of 2012.
- Almost all participating countries have completed the quality assurance and exhaustiveness questionnaires either during the last Regional workshop held in Pretoria or the follow up workshop held in Tunis in July for countries which did not participate in the Pretoria workshop. Preliminary assessment of the responses of the quality assurance and exhaustiveness questionnaires points to a number of problems which suggests that the guidelines to countries may not have been very clear. We have raised these concerns with the Global office and have promised to provide more elaborate notes.

- The Global Office developed an EXCEL version of the template of the Model Report on Expenditure Statistics (MORES). It was sent to the Regional Coordinators as well as posted on the ICP website. It is currently available in three languages – English, French and Spanish – and the Arabic version will soon be available. The MORES will assist the participating countries on compiling detailed expenditure values for each basic heading of the ICP classification, to document the relevant splitting approach, and provide the indicators that were/are used to estimate the expenditure values for a benchmark year (the latest year for which required data is available) and for the reference year 2011.
- Regarding the rent survey, most of the countries do not meet the data requirements (more than 25% of dwellings rented distributed evenly throughout the country) to conduct the rental surveys and collect rents to calculate PPPs using the standard procedure. The resolution made at the Pretoria workshop is that countries will use the quantity approach to calculate volumes of housing services generated in the country. For the latest year available data collection will be conducted in the period January to March 2012 while for 2011 data collection will be conducted in the period October to December 2012. At the last Regional Coordinators meeting held in Washington DC from the 5th to the 6th of October 2011, the global office asked requested that countries collect rental data even when they didn't meet the minimum data requirements. This possibility will be discussed during the next Regional workshop scheduled to be held in the first quarter of 2012.
- Initial Instructions had been given to countries to collect the data on compensation of employees in the third and fourth quarters of 2011 following the guidelines provided by the global office. However, at short notice the Global office changed the time table to the first quarter of next year for the latest year available.. For countries that have been collecting data will not be affected since the reference period is 2009 regardless whether the data were collected in the fourth quarter of 2011 or first quarter 2012(The information on government compensation is being/will be extracted from official Go-

vernment pay scales and supplementary information from social security institutions. We expect to have some results from countries before the next Regional workshop.

All the necessary materials (questionnaires and catalogues) for Machinery and Equipment in both French and English were sent to the countries after the Pretoria. During the workshop, it was resolved that the survey will be conducted by National Accountants in collaboration with the Price Statisticians and other staff working in the NSO especially those in charge of merchandise trade statistics. However, we have discovered that some countries have already engaged or shortlisted consultants to undertake the survey.

- We resolved during the Pretoria workshop that the national accountants in the respective NSOs will spearhead the data collection of the construction survey in conjunction with local experts in the construction industry. However, we have noted that some countries especially in the COMESA region have opted to engage consultants to undertake this survey. Materials and questionnaires were sent to countries in both languages, as well as the briefing and selection criteria notes for national experts as soon as they provided as by the Global office in late October 2011. That led to the proposal to start data collection in the first quarter of 2012 but still collect data for the reference year 2011.

Funding

Funding of ICP 2011 round activities has remained a challenge for most of the countries largely because of delays in the implementation of the SCBII and poor absorption capacity of some of the countries. In addition, there were delays or a lack of justification of earlier disbursements to enable subsequent releases. However, AfDB is making every thing possible to resolve the situation to ensure that the program is not disrupted. Despite the funding problem countries are experiencing, the head of national statistical office have shown commitment to ensuring that the implementation of the ICP in Africa succeeds, and this is evident from the data so far submitted to the regional office. The ICP regional coordinating office commends the efforts the countries and SRO's are making in this regard. It is en-

visaged that the funding situation will be normalized in January 2012.

The 3rd ICP-Africa Regional Workshop

The third Regional workshop was held in Pretoria, South Africa from June 27 to July 1 2011, attended by national accounts and price statisticians from the following regional member countries (RMCs): Algeria, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo Democratic Republic, Congo Republic, Cote D'Ivoire, Egypt, Arab Republic, Equatorial Guinea, Ethiopia, Gabon, The Gambia, Ghana, Guinea Conakry, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Sao Tome and Principe, Senegal, South Africa, Sudan, Swaziland, Tanzania, Tunisia, Uganda, Zambia and Zimbabwe. Participants from twelve countries did not manage to attend largely due to immigration formalities. In attendance too were representatives of Sub-Regional organizations, Statistical training centers and the Global office.

The main objective of the third regional workshop of the ICP-Africa was to review and validate the prices data collected for household consumption item and as well review that the data national accounts for 2009.. The workshop conducted the prices and national accounts sessions in parallel.

This workshop was preceded by a second regional workshop held in Tunisia in September 2010 aimed at assisting participating countries in various tasks related to the preparatory work leading to price collection of household consumption items and related activities, which started in January 2011

Prices session

The Prices group, main recommendations and conclusions concerned data transmission dates, Semper data validation, product identification and rapid product obsolescence.

Data transmission :

- The deadline for transmitting validated 2010 data to the AfDB and to SROs was August 15 2011.
- The deadline for transmitting validated 2011 data as well as updated com-

ments on availability and importance matrices to the AfDB was set for July 10, 2011.

SEMPER and data validation

- The Semper validation tool will be reviewed by the AfDB to correct shortcomings identified, especially the problem of units of measurement. and . develop a macro program that would assist resolve these issues. Data files must be accompanied by a validation report explaining the discrepancies.

Products identification in general and rapid obsolescence products:

- Data collectors and supervisors must make a great deal of effort to comply with product descriptions listed in catalogs when collecting prices to ensure inter-country comparability.
- As regards the traceability of products in terms of the location of the outlets, in urban or rural areas or in the capital, countries must use the column "Remark" to record the location of the outlet.

For the identification of high-tech products, focus should be on packaged products where you can read the specifications (model, No. of series, etc.). If the product is unpacked, you must request the packaging box and / or the user manual. If the product meeting the specifications does not exist on the market, then we can get the closest product to the desired product. An additional list consisting of new technological products will be added to the regional list. Meanwhile, countries must collect prices for all available products.

National Accounts

The national Accounts group, made recommendations and conclusions concerning methodologies and data collection of national accounts specific surveys and data transmission dates for national accounts aggregates, GDP breakdown and completion of National Accounts questionnaires.

- The most important recommendation made during the National Accounts group session was the formation of a working group on national Accounts aspects related to the ICP-Africa program. It was named the Africa Expert

Resource ICP National Accounts group (AFRINA). It is composed of AFRISTAT, ECA, AfDB, Statistical Training Centers (ENSEA Abidjan, EASTC Dar es Salaam, ISAE, Makerere University, INSEA Rabat and some 2011 ICP participating countries (Algeria, Morocco, Madagascar, South Africa, Zimbabwe and Mauritius). Its overall objective is to support the regional office in ensuring that GDP expenditures compiled by the countries participating in the 2011 round of ICP are sound in terms of the adherence to the SNA-93 and have complete coverage of the goods and services within the SNA's production boundary to ensure they are as comparable as possible across the countries. AFRINA will also be responsible for undertaking further research on treatment of certain NA activities especially the comparison resistant areas.

Specific surveys

Housing and dwelling services

- Data collection on rentals will be conducted twice – before August and in December 2011. The first quantity survey, related to the latest year, 2009, will take place in the first quarter of 2012 and the second one, related to 2011 will be held in the 4th quarter of 2012. The user cost method will be used to estimate the total value of imputed rents.

Compensation of government employees

- Salary rates, total expenditures on Government compensation, and other required general indicators will be gathered from Government Finance Statistics database and any other relevant administrative source. Data for the latest year will be gathered and validated in the first quarter of 2012 and submitted in the second quarter of 2012; data for reference year 2011 will be gathered and validated in the 4th quarter of 2012 and submitted in the 1st quarter of 2013.

Machinery and Equipment

- Surveys will be conducted in September 2011 by National Accountants in collaboration with the Price Statisticians and other staff working in the NSO especially those in charge of mer-

chandise trade statistics In this regard NSOs are advised not hire external machinery and equipment experts. Data collection should be completed and submitted to the Regional office before the end of 2011.

local experts in the construction industry. Data collection is expected to be undertaken between July and October 2011 upon receipt of relevant notes including selection criteria from the Global office.

in the first quarter of 2012, and transmitted to the AfDB in the second quarter of 2012.

Construction and Civil Engineering

- National accounts national experts in the respective NSOs will spearhead the data collection in conjunction with

Private Education

- data will be collected or extracted from administrative records , and validated

Similar recommendations and conclusions were made during a follow up workshop organized in Tunis from 8-12 August 2011 for countries which did not attend the Pretoria workshop to ensure all participating countries have the same information regarding the implementation of the ICP 2011.



SPOTLIGHT

News from some sub-regions

AFRISTAT

This section provides a summary of the third quarter activities undertaken within the framework of the implementation of

the 2011 ICP-AFRICA in countries covered by AFRISTAT.

National Accounts

All AFRISTAT countries carried out the 2009 GDP breakdown into basic headings with the exception of Equatorial Guinea who is getting down to it. Forms for completeness and quality control of the national

accounts have been filled by fifteen out of twenty countries. Congo, DRC, Guinea Bissau, Equatorial Guinea and Togo are now finalizing their MORES questionnaires.

The status of the implementation of specific surveys is presented in the table below. Few countries have conducted or are about to undertake these surveys.

Table 3 Status of the implementation of specific surveys

Specific Survey	Countries having undertaken or are about to conduct specific surveys	Countries which have yet to conduct specific surveys
Construction and Civil engineering	GUINEE, MALI, NIGER, RCA, SENEGAL	BENIN, BURKINA FASO, CAMEROUN, CAP VERT, COMORES, CONGO, COTE D'IVOIRE, GABON, GUINEE BISSAU, GUINEE EQUATORIALE, MAURITANIE, RD CONGO, SAO TOME PRINCIPE, TCHAD, TOGO
Machinery and equipment	MALI, SAO TOME PRINCIPE, SENEGAL,	BENIN, BURKINA FASO, CAMEROUN, CAP VERT, COMORES, CONGO, COTE D'IVOIRE, GABON, GUINEE BISSAU, GUINEE EQUATORIALE, GUINEE, MAURITANIE, NIGER, RCA, RD CONGO, TCHAD, TOGO
Housing	BENIN, GUINEE, MALI	BURKINA FASO, CAMEROUN, CAP VERT, COMORES, CONGO, COTE D'IVOIRE, GABON, GUINEE BISSAU, GUINEE EQUATORIALE, MAURITANIE, NIGER, RCA, RD CONGO, SAO TOME PRINCIPE, SENEGAL, TCHAD, TOGO
Compensation of government employees	BENIN, COMORES, GUINEE BISSAU, GUINEE, MALI,	BURKINA FASO, CAMEROUN, CAP VERT, CONGO, COTE D'IVOIRE, GABON, GUINEE EQUATORIALE, MAURITANIE, NIGER, RCA, RD CONGO, SAO TOME PRINCIPE, SENEGAL, TCHAD, TOGO

The difficulties encountered by countries in the implementation of the national accounts component of the program are twofold: (i) financial as many countries run out of money and even those who received specific funds have given priority to data collection of household consumption survey; (ii) technical (some data entry screens are not functional, methodologies and survey instruments developed provided to countries are not detailed enough to be used easily). However all countries are planning to conduct all specific surveys during the first quarter 2012 when resources are available.

Price

The following outputs were obtained following the conduct of price activities

- Activities of price collection are ongoing in 17 countries (Benin, Burkina Faso, Cameroun, Cap Vert, République Centrafricaine, Tchad, Comores, Congo, Côte d'Ivoire, RD Congo, Guinée Bissau, Guinée Conakry, Mali, Niger, Sao Tome & Principe, Sénégal et Togo). Gabon and Equatorial Guinea, the two ADB countries do not have resources to undertake price collection activities.
- AfDB provided all countries with updated data processing tools (Merge, Semper and Elfa);
- Nine (09) countries (Benin, Cape Verde, Comoros, Mali, Niger, CAR, DRC, Sao Tome & Principe and Senegal) have submitted 2011 first and second quarters data ;
- Two (02) countries (Niger and Sao Tome & Principe) have submitted data for the third quarter of 2011.

Following the information given by countries about the inconsistencies of units of measure in the data collection forms and in data processing tools, the AfDB addressed the issues during the third quarter of 2011 and provided countries with the corrected tools.

Financial constraints have forced some countries to limit the scope of the household consumption survey to capital city and prevented AFRISTAT from providing in country support and undertaking supervision missions. Country support was entirely given through electronic exchanges and telephone.

Way Forward

For the last quarter to come, the activities undertaken since the beginning of 2011

will be continued and further action taken as necessary. They will include:

- Monitoring the 2011 data collection in AFRISTAT countries;
- On request providing countries with support for work of the 2011 ICP-Africa round.

COMESA

COMESA 2011 ICP Pro-gress Report

Prices Component

Supervision missions are ongoing in the Member States and will be concluded before the end of November 2011 except for Egypt that will be visited early next year.

The supervision missions are focused on price taking or price collection procedures, training of data collectors, data captures and continuous supervision and training of the same. The other dimension of emphasis is the consistency and completeness of the data collected or just country level data validation.

As at the beginning of November 2011 the COMESA Secretariat had visited National Statistical Offices (NSOs) of Ethiopia, Rwanda, Burundi, Djibouti, and Sudan. It is planned that similar supervision missions will be mounted in Uganda, Kenya, and Madagascar in the middle of November 2011 and in Egypt a little later on.

Out of a group of five countries that have been visited so far it was observed that data capturing is lagging behind in Burundi, Djibouti and Rwanda. The same countries designed time framed work plans to reduce the backlog. In all the countries it was observed that there is need to increase the number of price quotations for some specific products to improve the reasonableness of the estimates. In other words some products have relatively high price quotations, as high as fifty yet other products have as few as one quotation. Relatively fewer quotations negate the international comparison. Generally it is reasonable for homogeneous products (electricity tariffs) to have fewer quotations yet garments (children's clothing) that are largely heterogeneous require as many quotations as possible to yield reliable estimates.

One other particular problem observed was the high prevalence of product errors intertwined with price errors or the so called non sampling errors (NSE). In other words

wrong products were being priced in some cases. This obviously leads to wrong average product prices; it was noted that in some instances data collectors were not following the 2011 ICP product specifications. Corrective measures were amplified with a view of reducing the prevalence of such cases and more importantly briefing data collectors on the same going forward so that they reduce the NSEs.

Whilst timeliness has improved as a result of timely execution of tasks and changing price taking frequency from monthly to quarterly except where data capturing remains behind, intra country data validation is ongoing in an iterative manner and has to reflect and be guided by the prevailing macroeconomic conditions in different countries. In other words some countries have relatively higher rates of inflation as measured by the national CPI than others and price deviations are likely to differ along such lines. Uganda has been able to provide common products between the ICP 2011 and the national Consumer Price Index (CPI) for the months of July and September 2011. This is a perfectly reasonable idea that has been recommended to other countries. The good part about this exercise is that it can be done in retrospect given that price collection for the national CPI is one of the high profile routine activities of the NSOs. In all the countries that were visited the emphasis has been the need to pursue sound price taking procedures characterized by consistent training and briefing of data collectors and captures. The objective is not to get rid of any price observations that seem extreme but to investigate if the same prices are genuine or not.

National Accounts Component

Supervision missions were conducted to Ethiopia, Rwanda, Burundi, Djibouti and the Sudan (North) to assess the status of implementation of 2011 ICP. The missions were undertaken during September and October of 2011. Similar missions are planned during the second half of November to Uganda, Kenya and Madagascar. This covers all ICP participating COMESA member countries except Egypt. The following paragraphs highlight the activities undertaken in the implementation of 2011 ICP by member states visited under the supervision missions.

National Accounts Surveys

1. All member states have decided to outsource the survey on construction and

civil engineering. The survey is currently ongoing in one member state and two others have tendered the work. The remaining two are also preparing to issue the tender. Most countries are planning to complete the survey and submit by end of the year and the remaining few by January 2012.

2. Statistical Offices in three countries have decided to conduct the survey on machinery and equipment using their own staff while the remaining two are planning to outsource the survey work. Most countries plan to complete the work and submit the result before end of the year. The remaining countries program to submit the work by end of January, 2012.

3. Regarding compensation of government employees the work is ongoing in most countries. It is expected that all will complete the questionnaire and submit before the end of the year.

National Accounts Data

1. Ethiopia and Rwanda have final GDP numbers for the period 2005 – 2009. Both countries plan to compile provisional estimates for 2010 and produce and submit the GDP for 2005 - 2010 disaggregated into 155 BHs.

2. Djibouti is not currently compiling national accounts statistics. The only data available are the ones compiled by the IMF in collaboration with the Central Bank of Djibouti. The IMF team goes to Djibouti for a short period every year and produces estimates for few selected macroeconomic indicators. Djibouti, however, has GDP for the period 2005 - 2009 disaggregated into 200 BHs. This was compiled in October 2010 by an expatriate consultant. The consultant managed to compile the matrix based on whatever available data, though scanty and inadequate, at the time.

3. There is a problem in the Sudan regarding national accounts statistics. The problem is basically associated with the separation of South Sudan. The national accounts data of Sudan has not yet been split into north and south for the years prior to the separation. There is no official position so far to compile the GDP of North Sudan for the period before separation. If that is not done it is impossible to have a comparable series of national accounts numbers. The national accounts

team, however, has agreed to prepare unofficial crude estimates of GDP for North Sudan for the years 2009 and 2010 for the purpose of ICP exercise.

SADC

1. Introduction and Background

This progress report attempts to provide a review of activities undertaken during the second quarter of 2011 regarding the progress achieved in project implementation for the Statistical Capacity Building (SCB II) project. The SCB II is being implemented in the African region since 2009. The program originally expected to have ended in December 2010 was extended to now end in December 2011. The primary focus of the extension relate to implementation of activities for the 2011 ICP – Africa. The program is funded and closely supervised by the African Development Bank (AfDB) but is coordinated by the Southern African Development Community (SADC) in the sub region.

From the fourteen participating member states, twelve are directly catered for under SADC according to the arrangements of the AfDB; Democratic Republic of Congo and Madagascar are catered for under the Economic and Statistical Observatory for sub-Saharan Africa (AFRISTAT) and the Common Market for Eastern and Southern Africa (COMESA) respectively. Angola has not been participating in the program.

1.1 Protocol of Agreements and implementation

The SADC Secretariat and the Bank are in the process of signing an Amendment to the Protocol of Agreement (POA) that was signed for SCB II between the SADC Secretariat and the Bank. The amendment is to facilitate the extension of the SCB II from ending December 2010 to end December 2011. Subsequent to this amendments to POAs signed between SADC Secretariat and Malawi and Lesotho will be undertaken to reflect the extension of the SCB II.

1.2 Audits of the reports for the 2005 ICP round

The SADC Secretariat has engaged KPMG Zambia to undertake audits of funds for the SADC countries that had not yet undertaken audits over funds used for the 2005 ICP round. However,

only four instead of five countries are being audited as Zimbabwe has already engaged a local firm to audit their accounts and the report submitted by the auditors has been deemed acceptable by the SADC audit office. Tanzania and Zambia had also used the offices of their Auditor Generals for this exercise, however, their reports were deemed not satisfactory hence they are being audited again.

2. Progress during the second quarter of 2011

2.1 SADC Harmonized Consumer Price Index

The SADC Secretariat in collaboration with COMESA and the National Statistical Offices (NSOs) of respective SADC Member States has been developing the Harmonized Consumer Price Indices (HCPIs) for the region. The Stage 1 HCPI is being compiled on monthly basis since January 2011 from the national HCPIs of SADC Member States. Since May 2011 fourteen SADC Member States were participating in the compilation of the SADC Stage 1 HCPI including Botswana, Lesotho, Democratic Republic of Congo, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Angola is the only SADC country that has not been participating in the HCPI process this far. The SADC HCPI will be formally disseminated following SADC Council of Ministers approval expected to be granted during the next Council meeting scheduled for August 2011.

2.2 Implementation of the 2011 ICP Activities in Member States

2.2.1 Revision of budgets

Based on the dissemination of the information regarding the new cycle of price collection for the 2011 ICP round, member states were advised to revise their budgets submitted earlier to accommodate this development regarding new cycle for data collection. The budgets were revised collaboratively by the countries, SADC Secretariat and the Bank, using the template provided by AfDB to guide the process. By the 30th June 2011, the final versions of the revised budgets of the eleven SADC countries supervised by SADC under ICP that have been participating in the SCB II and 2011 ICP were submitted to the Bank. Lesotho is the only country that was yet to file

nalize the budget, while South Africa opted not to receive any funds from the AfDB under the SCB II program.

2.3.2 2011 ICP data collection, processing and sub-mission status

During the second quarter for the months of April and May, the number of countries that collected price data for the 2011 ICP declined to eight since Botswana discontinued data collection in March 2011. However, this number increased to twelve in June 2011 when Tanzania and Mozambique started data collection and Botswana resumed data collection in the two big cities of Botswana: Gaborone and Francistown.

Most countries had submitted data for the first two months (January and February) of the year by June 2011. The reason for the slow pace of submission was the fact that data processing tools were distributed late to member states hence they could not do all the necessary processing on time. Tanzania and Mozambique submitted the price data for the CPI-ICP common products for the missing months. Si-

imilarly Botswana also submitted data for March to May 2011 for products common to both CPI-ICP products.

Table 1 below provides a summary of data collection and submission status by member states.

2.3 Participation in the 3rd Regional Workshop on 2011 ICP

The third regional workshop on 2011 ICP organized by the AfDB was held in Pretoria from the 27th June to 01st July 2011. The SADC Secretariat was represented at the workshop in both the prices and national accounts sessions. The main objectives of the workshop included: intra-country data validation of the first quarter of 2011 prices data, and inter-country data validation of the 2010 prices and National Accounts data. The key recommendations from the workshop include the following:

- AfDB should improve communication with the countries; they should at least acknowledge receipt of the documents or data from the countries. The Bank should also improve on keeping

record of the data submitted by countries to avoid having to ask countries to submit the same documents or data several times.

- There is a need for AfDB to finalize the templates such as data entry sheets, sent to countries before distributing them. This will save time, avoid confusion and reduce work-load, which are always encountered when templates which are already in use are modified and countries have to redo the work in the new format.
- AfDB should improve their country contact database to make sure the information they send to countries reach everyone on time.
- Countries should continue the validation of ICP prices data for 2010 and for the first quarter of 2011 and submit on agreed dates.
- There is a need to ensure consistency among existing ICP data, e.g. between prices collected in field and prices embedded in GDP expenditures; between production and expenditure data; and between producers and purchasers prices.

Table 4 2011 ICP Data collection, submission and reporting status as at end of June 2011

Country	Start of Data Collection	Data collection status	Progress reporting status	Data submission status	Revalidated and resubmitted after Pretoria
Angola					
Botswana	Jan-11	Discontinued in March 2011, resumed in June 2011 for 2 big cities	Up to April 2011	Jan - Apr 2011 (Mar, Apr - CPI-ICP)	√
Lesotho	Jan-11	Ongoing	UP to March 2011, but not elaborate (not in the requested format).	Jan- Mar 2011	√
Malawi	Jan-11	Ongoing	Up to March 2011	Jan - Feb 2011	
Mauritius	Jan-11	Ongoing	Up to May 2011	Jan-May 2011	√
Mozambique	Jun-11	Ongoing	No report yet	Jan-May 2011 (CPI-ICP)	√
Namibia	Jan-11	Ongoing	Up to April 2011	Jan - Apr 2011	
Seychelles	Jan-11	Ongoing	Up to February 2011		
South Africa	Feb-11	Ongoing	Up to May 2011	Feb - Apr 2011	√ (Feb - Mar)
Swaziland	Jan-11	Ongoing	No report	Jan - Mar 2011	√
Tanzania	Jun-11	Ongoing	No report yet	Jan - Apr 2011 (CPI-ICP)	
Zambia	Jan-11	Ongoing	No report	Jan - Mar 2011	
Zimbabwe	Jan-11	Ongoing	Up to February 2011	Jan - May 2011	√ (Jan, Mar-May)

3. Challenges

The need for more up-dated information from AfDB regarding financial disbursement of funds to member states for the 2011 ICP poses difficulties for SADC secretariat when attempting to respond to Member States inquiries on same.

4. Recommendations

The following are recommendations for consideration by AfDB:

- (i) AfDB to constantly provide effective feedback on progress reports (financial, supervisory missions e.t.c) submitted to AfDB stating whether meeting best practices and expected standards;
- (ii) AfDB to ensure to communicate to SRO/RECs new rules and regulations governing program implementation. A case in point being the need for Regional Member Countries to seek for a no Objection from AfDB to use own funds for 2011 ICP activities to be able to effect reimbursement of the said funds;
- (iii) AfDB should clearly spell out the expected role of the SADC Secretariat whenever meetings/workshops/seminars are organized for SADC member states when funding for such events would be sourced directly from AfDB headquarters.

5. Plans for the third quarter of 2011, July – September 2011

The main activities planned to be undertaken during the third quarter will include the following:

- (i) Coordination of 2011 ICP activities in member states;
- (ii) Undertake a supervisory mission to Seychelles whose main objective is to review progress in the implementation of the 2011 ICP, supervise intra-country data validation and assist Seychelles with the implementation of the administrative and financial regulations of the Bank as they participate for the first time in the program;
- (iii) Initiate the audits process for the SCB II funds relating to Lesotho and Malawi, the only two countries which received funding under SCB II from SADC Secretariat.

Other News

ICP Global Meetings and International Conference

5th TAG Meeting

The Fifth Meeting of the ICP Technical Advisory Group (TAG) took place on October 3-4, 2011, at the World Bank in Washington DC, to discuss a number of issues including the potential use of productivity adjustments for several components, some investigations into informal construction, estimating PPPs for education using a quantity approach, a clustering approach for data validation, and issues associated with extrapolating PPPs to form time series. In attendance were TAG members as well as Regional Coordinators, as observers.

The following recommendations were made at the 5th TAG meeting concerned productivity adjustments to Government collective services and extrapolation of PPPs:

Productivity adjustments for Government collective services

- Productivity adjustments should be made in each region to government collective services as well as for health and education services provided by not-for-profit units. To the extent possible, the adjustments should be based on labour and capital stock data specific to each country. However, some countries will have to “borrow” adjustment factors from countries with similar economies in their region.
- Productivity adjustments should be made for all countries using an input-based (i.e. compensation) approach when aggregating the regional results to a global total, even if a region does not explicitly adjust for productivity differences between countries in its regional results.

Extrapolation of PPPs

- The Global Office should take every opportunity to educate users of PPP data by describing the implications of the assumptions involved in extrapolating PPPs. Emphasis should be made that the extrapolated series are very rough estimates rather than the target that the 2011 ICP benchmarks should be aiming for.

- An annual update would be the best means of compiling annual series of PPPs. Once the 2011 ICP round is completed it would be a useful exercise for the Global Office to investigate the possibilities of producing such series based on a combination of CPI data and a limited amount of price collection.

5th Regional Coordinators meeting October 5-6, 2011

The 5th Regional Coordinators meeting was held at the World Bank in Washington DC on the 5th and 6th of October 2011. The global office and the Regional Coordinators discussed country participation in the regions including existing and possible risks.

The work plan for data collection and submission dates for the main survey was the main objective of the meeting. The Special surveys and National Accounts activities were also discussed placing emphasis on methodological aspects.

IARIW Conference

A paper prepared by Oliver Chinganya, Abdoulaye Adam and Marc Kouakou entitled Comparative analysis of costs of some selected infrastructure components across Africa from the 2005 results of the International Comparison Program for Africa (ICI-Africa) was presented at the Conference on Measuring National Income, Wealth, Poverty and Inequality in African Countries, co-organized by the IARIW and Statistics South Africa and held in Cape Town, South Africa September 28-October 1.

The paper analyzes the distribution of price levels of these economic drivers, since these contribute to the cost of doing business in Africa. For this purpose, price level indices (PLIs) have been computed to provide a comparison of the cost of selected infrastructure components across African countries.

The data used were collected from the 2005 round of the International Comparison Program (ICP) in Africa, covering 48 out of a total of 52 countries and 22 major aggregates of the national accounts. The paper is posted on the IARIW website at <http://www.iariw.org/c2011.php>.

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