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| --- | --- |
| **Name of Donor** | **Name of Project** |
| **African Development Bank (AfDB)** | International Comparison Programme  |
| **Grant start date**:  | 1st March ,2017 |
| **Grant End date:** | 30th June,2020 |
| **Grant Amount:** | USD 1,030,403.41 |
| **Disbursed before current year:** (2019) | USD 1,030,403.41 |
| **Balance:** | Nil |
| **Disbursed in 2019**:  | Nil |
| **Balance yet to be disbursed:** | Nil |

1. **Brief about the programme**

**Overview**

The Common Market for Eastern and Southern Africa (COMESA) Secretariat, with the financial support from the African Development Bank (AfDB), has been implementing the International Comparison (SCB) program in selected COMESA member states. COMESA acts in its capacity as the administrator of the Multinational Program to Build Statistical Capacity for Sustainable Development Goals (SDGs) Monitoring and Results Measurement.

 The International Comparison Program (ICP) is a worldwide statistical initiative aimed at estimating Purchasing Power Parities (PPP’s) to be used as currency converters to compare the performance of economies across the globe. The primary purpose of the ICP is to generate relevant Purchasing Power Parity (PPP) data to convert the Gross Domestic Product (GDP) and its sub-aggregates reported in different currencies-into a standard common currency that equalizes the real purchasing power of each of the currencies. The program has participation of 54 countries. The Bank, through its ADF window, is providing funding to 40 eligible countries and Sub-Regional Organizations of COMESA and AFRISTAT as the implementing agencies, in the remaining Regional Member Countries.

The 2017 ICP round was implemented about 54 Regional Member Countries in Africa under the “Improving Economic Statistics” component of the Statistical Capacity Building (SCB) Program Phase 4.2. This component of the Program aims to improve national accounts, especially the exercise in rebasing of GDP in RMCs and price statistics (including harmonized CPI, purchasing power parity statistics to facilitate cross-country comparisons and analysis), infrastructure, agriculture and food security, environment and climate change, regional integration and trade statistics, business registers and labor statistics.

The ICP included data collection for the main household price surveys in all 54 Regional Member Countries with support of the Sub-Regional Organizations of COMESA and AFRISTAT as well as Five (5) non- household price surveys (national accounts specific surveys for private education, machinery and equipment construction and civil engineering, compensation of employees, and other surveys); the compilation detailed Gross Domestic Product(GDP) expenditures: the regional validation of data and the computation of regional results with specific emphasis on poverty Purchasing Power Parities. The surveys were carried out from the 3rd quarter of 2017 (September 2017) to the end of the 4th quarter of 2018 (November 2018). The ICP price and National Accounts experts in the NSOs were responsible for conducting ICP price Surveys and five (5) specific National Accounts Surveys respectively.

The agreement for ICP was signed on 23 March 2017. The closing date of the grant was 31 December 2018. The closing date for the ICP program was further extended to June 2020.

1. **Overview of 2019 programme and expenditure implementation**

Most of the activities between January and June 2019 were focused on the finalisation of the special surveys for National Accounts; Private education, Machinery and equipment, Compensation of government employees and GDP splitting for the latest years.

After all the data for both Price and National Accounts statistics were submitted, the AfDB in collaboration with AFRISTAT and COMESA organised a data validation and closure workshop for the 2017 ICP round which was held in April 2019 in Addis Ababa, Ethiopia.

Table 1, below presents expenditure incurred in the period in implementing the above activities

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Budget Line Description [as in grant contract]** | **2018** | **2019** |  |
| **Actual** | **Original Budget** | **Actual: Six months** | **Forecast: Six months** | **Revised Forecast** | **% Budget Utilisation achieved** | **% Forecast Budget Utilisation** | **Proposed budget revision** |
| **12 months** | **12 months** | **Jan - June** | **July-Dec** | **Jan - Dec: 12 months** | **Jan - June** | **Jan - Dec: 12 months** |  |
| **Col 1** | **Col 2** | **Col 3** | **Col 4** | **Col 5** | **Col 6** |  **Col 7=5+6** | **Col 8=5/4** | **Col 9=7/4** |  |
|   |   |  |  |  |  |  |  |  |  |
| **1** | **Program Coordination** | 226,904.50 | 244,351.00 | 78,796.00 |  104,679.00 | 183,475.00 |  32 | 75 | - |
| **2** | **Program Supervision /Technical Missions/ Financial Management** | 68,173.55 | 48,209.81 |  1,007.00 | 47,202.81 | 48,209.81 |  2 | 100 | - |
| **3** | **Disbursements to MS** | 510,198.00 |  51,775.00 | - | 51,775.00 |  51,775.00 | (100) |  100 | - |
|  | **Total** | **805,276.05** | **344,335.81** | **79,803.00** | **203,656.81** | **283,459.81** | **23** | **82** | **-** |

As reflected in the above table, budget utilisation during the first half of the year was USD 79,803.00 representing 23% of the 2019 budget. In the Second half of the year USD 51,775.00 will be disbursed to Egypt for ICP activities and the balance outstanding is allocated to program coordination and supervision missions.

Budget outturn for the first quarter was 23% and this can partly be attributed to the pending disbursement for Egypt and partly because a portion of the budget is for staff salaries. It is expected that the budget outturn will be 82% by the end of 2019.

1. **Risk Management**

Major risks faced by the programme include;

1. Some countries (particularly those with large geographical areas) had to scale down on coverage due to limited resources;
2. Delays in signing the Implementation Agreements consequently affected the commencement of surveys in some countries;
3. Delays in retiring disbursed funds had an impact on the implementation of activities in some countries
4. Disbursement of funds to some countries was a challenge due to some factors such as political sanctions and economic difficulties causing scarcity of foreign exchange resulting in hard cash being physically delivered to these countries;
5. A good number of countries did not factor in the National Accounts activities in their budgets, this paused a risk to the implementation of National Accounts surveys;
6. Staff turnover in some countries caused delays in the implementation of activities.
7. **Recommendation**

Based on the budget outturn analysis and risk, management proposes the following;

1. Timely and consistent bilateral engagement with participating Member states
2. Training of staff from the Central statistics offices
3. Timely engagement of relevant Ministry’s/Departments to mitigate challenges of Government bureaucracies.