I. Introduction and Context

Country Context

As a regional initiative, this project will entail the cooperation of participating countries to share good practices and will thus promote and reinforce institutional coordination and economic relationships in support of regional development efforts and post MDG agenda. This project aims at enhancing the national statistical systems through the statistical capacity development of countries in order to produce comparable, reliable, impartial and relevant national and regional data for evidence-based policymaking and research. This comes in line with the outcome of the final regional workshop for the 2011 ICP round which was held in Istanbul in February 2014 for releasing the 2011 ICP results, in which all the participating countries insisted on the importance of sustaining the experiences gained through the 2011 Round and asked the regional office to develop a mechanism ensuring regular production of regional PPPs in Western Asia Region; the countries highlighted their need for such activities which would also reinforce statistical capacity in the areas of national accounts and price statistics. The 45th session of the UNSC, which followed in March 2014, also clearly underlined the presence of a definite need for the production of more frequent PPP estimates in all the regions.

Sectoral and Institutional Context

Internationally comparable estimates of GDP are one of the fundamental indicators in analyzing the
status of eliminating extreme poverty and boosting shared prosperity, which are the twin goals of
the World Bank. The proposed project seeks to build and sustain statistical capacities to provide
better GDP estimates in PPP terms on a regular basis that serve for policy makers to analyze and
design better national and regional policies aiming at improving economic and social performances
at country level. Producing regular regional PPPs assists countries in measuring sustainable
development and poverty reduction, designing accurate policies, and creating new development
opportunities based on real indicators and statistics. The improved indicators also serve for the
purpose of minimizing the divergence in the socio-economic structure between the countries of the
same sub-region/region.

Relationship to CAS/CPS/CPF
N/A

II. Project Development Objective(s)

Proposed Development Objective(s)
The overall objective of the project is to build the capacity of countries in the areas of price statistics
and national accounts, in order to advance the data foundation for measuring sustainable
development, and to support evidence based policymaking and effective monitoring.
Specific objectives include:
1. Improving the country’s statistical capacity in the compilation of detailed disaggregated national
accounts expenditure data, and addressing gaps identified in the 2011 round of International
Comparison Program (ICP) in the compilation of GDP expenditures.
2. Harmonizing price collection activities of the countries’ Consumer Price Index (CPI) activities
with ICP activities and producing regular Purchasing Power Parities (PPPs).
3. Improving the countries’ statistical in developing price indices for difficult areas such as housing,
government services and gross fixed capital formation.
4. Promoting partnerships between national statistics offices (NSOs) and international agencies by
sharing good practices and building human capital and national partnerships.

Key Results
1. Increased capacity of each participating countries by establishing regional price harmonization
and strengthening the NSOs’ regular activities in price statistics and national accounts.
2. Training materials for price statistics and national accounts in Arabic/English.
3. A sub-regional/regional harmonized product list for price statistics surveys (integrating CPI and
ICP) and implementation of surveys based on the list.
4. Sub-regional/regional PPP estimates on a regular (biennial) basis.
5. A summary report including the work strategy followed, the produced estimates and indices, and
related analysis.

III. Preliminary Description

Concept Description
To enhance the capacity of countries’ national practices and methodologies in the fields of national
accounts and price statistics, and to produce indices to match the international recommendations, the
project activities are mainly:
1. Workshops: these workshops will aim at (i) planning and promoting a strategic approach for the
integration of CPI and ICP activities, including reviewing existing ICP and CPI item list and
constructing a harmonized list; (ii) identifying and assessing the gaps encountered in the
compilation of detailed disaggregated GDP expenditure data such as housing, financial services, net purchases abroad, services provided by non-profit institutions serving the households, government services, gross fixed capital formation, inventories and valuables; (iii) identifying and addressing certain areas with difficulties in price comparison such as cost of housing rentals, government services and gross fixed capital formation; and (iv) supporting data quality processes.

2. Preparation of training materials: the materials will help in (i) improving survey design and price data collection and processing methods; (ii) helping countries further understand national accounts concepts and data compilation process for detailed disaggregated level; and (iii) strengthening data quality processes.

3. Technical assistance: this activity will aim at (i) preparing a ‘Needs-Assessment’ evaluation for each country; and (ii) providing countries with direct technical support to ensure proper implementation and execution of the recommended methodologies with a focus on the gaps and difficulties encountered in the price statistics and expenditure data compilation.

Also, through the three activities, the project aims to strive forward with the momentum gained and leveraged through previous international efforts and investments, such as ICP 2011, in terms of human capital, national partnerships, etc.

IV. Safeguard Policies that Might Apply

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V. Financing (in USD Million)

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<td>Trust Fund for Statistical Capacity Building</td>
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VII. Contact point

**World Bank**

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