



# Economic and Social Council

Distr.: General  
18 December 2017

Original: English

---

## Statistical Commission

### Forty-ninth session

6–9 March 2018

Item 4 (g) of the provisional agenda\*

### Items for information: International Comparison Programme and price statistics

## Report of the World Bank on the International Comparison Programme

### Note by the Secretary-General

In accordance with Economic and Social Council decision 2017/228 and past practices, the Secretary-General has the honour to transmit the report of the World Bank on the International Comparison Programme, which is being submitted to the Statistical Commission for information. The report outlines the activities of the Programme undertaken in 2017 at the global, regional and national levels to complete interim comparisons, launch the implementation of its 2017 comparison cycle and transform it into a permanent element of the global statistical work programme. The report describes the governance, capacity-building, research and advocacy activities carried out in this regard. The Commission is invited to take note of the progress made to date.

---

\* [E/CN.3/2018/1](#).



# Report of the World Bank on the International Comparison Programme

## I. Introduction

1. In 2018, the International Comparison Programme (ICP) will celebrate its “Golden Jubilee”, marking the fiftieth year since its establishment. The Programme has come a long way since its inception in 1968 as a joint venture of the Statistics Division of the Department of Economic and Social Affairs of the Secretariat and the International Comparisons Unit of the University of Pennsylvania. The Programme was initiated as a modest research project with financial contributions from the Ford Foundation and the World Bank, but the ultimate goal was to set up a regular programme of purchasing power parity (PPP)-based comparisons of gross domestic product (GDP). Since then, ICP has evolved into the largest statistical partnership in the world, with an increasing number of participating countries. At its forty-seventh session in March 2016, the Statistical Commission expressed its support for the institution of ICP as a permanent element of the global statistical programme.

2. The implementation of the ICP 2017 cycle has been initiated at the global, regional and national levels. At its forty-eighth session, in March 2017, the Commission expressed its satisfaction with the governance, technical, capacity-building, advocacy and funding activities undertaken by the Programme thus far. Moreover, the Commission endorsed the governance framework, urged participating countries to integrate and harmonize ICP activities with their regular work programmes and stressed the need to promote the uses of ICP results for policymaking.

3. The present report provides the Commission with a comprehensive update on the activities undertaken in the preparation and implementation of the ICP 2017 cycle and the finalization of interim activities. It is organized into four sections: ICP governance and coordination; the implementation of interim and 2017 cycle activities; the ICP research agenda; and knowledge, advocacy and uses.

## II. Governance and coordination

### A. Governing Board

4. The second meeting of the Governing Board of the International Comparison Programme took place on 15 September 2017 in Washington, D.C. The Board took note of the status of interim and 2017 cycle activities and identified risks and related mitigation measures. It stressed the importance of close cooperation between global, regional and national implementing agencies to ensure timeliness, quality, reliability and usability of ICP results. The Board also adopted the proposed ICP research agenda, which focuses on: methodological aspects of building PPP time series; fine-tuning established methods and procedures without introducing methodological changes; and providing guidelines to countries to improve the quality, reliability and comparability of PPP estimates. On the subject of data access, the Board took note of the main drivers and objectives of an enhanced data access policy, with emphasis on equal reciprocation in providing data by each participating country. The next meeting of the Board is scheduled for October 2018.

## **B. Technical Advisory Group**

5. At its first meeting, on 15 November 2016, in order to ensure the methodological soundness and overall quality of PPP estimates, the ICP Governing Board established the Technical Advisory Group to guide ICP research and methodological developments. The Advisory Group assures the methodological soundness and overall quality of PPP estimates, ensures transparency of the PPP estimation process and facilitates the establishment of ICP as a permanent programme and more frequent ICP cycles. The membership of the Group is composed of prominent experts in the fields of index numbers, purchasing point parities (PPPs), price statistics and national accounts, with knowledge of national statistical systems and capacity-building challenges across various regions.

6. The first meeting of the Advisory Group took place on 24 May 2017 at Princeton University. The meeting took note of the ICP Governance Framework as well as the status of the ICP interim activities and the 2017 comparison cycle, and put forth a comprehensive research agenda for the Programme. The work of the Advisory Group will be supported by task forces that tackle specific topics on the research agenda. The next meeting of the Advisory Group is scheduled for May 2018.

## **C. Inter-Agency Coordination Group**

7. The third meeting of the Inter-Agency Coordination Group was held on 5 March 2017 in New York, in conjunction with the forty-eighth session of the Commission. The main objectives of the meeting were to provide updates on the Programme's regional and global activities and related risk assessments. The meeting discussed the recent governance and operational activities, the finalization of operational materials for the 2017 cycle and the status of the knowledge and outreach materials that were under preparation.

8. The fourth meeting of the Coordination Group was held from 23 to 25 October 2017 in Washington, D.C. Participants discussed the status of interim activities, the 2017 cycle and related risks, the assessment of data for interim years, data access and the publication of results, the PPP e-Learning course, "Fundamentals of Purchasing Power Parities", and ICP data-management solutions. The next meeting of the Coordination Group is scheduled for March 2018.

9. Given its key role in supporting the coordination and implementation of ICP activities in the Caribbean, the secretariat of the Caribbean Community will be invited to take part in future meetings of the Coordination Group.

## **III. Implementation of interim and 2017 cycle activities**

### **A. Overall timetable**

10. As reported to the Commission last year, the time frame for the implementation of the 2017 cycle covers the period from 2016 to 2019 and has three main stages. The first stage, which includes setting up governance and institutional arrangements and preparing operational materials for the 2017 cycle, has been completed.

11. The second stage entails conducting price surveys and other data collections and compiling national accounts expenditure data. The timetable of the main surveys,

which include data collection and validation of prices for household goods and services, varies across regions. These price surveys will be conducted from the first quarter of 2016 until the third quarter of 2018. Other surveys and data collections, including housing rentals and volume, compensation of government employees, machinery and equipment, and construction and civil engineering, will be carried out from the second quarter of 2017 to the last quarter of 2018. National accounts expenditure data compilation and validation will be conducted from the first quarter of 2017 to the third quarter of 2019.

12. The third stage includes the preparation of preliminary and final regional and global results. It is expected that the final global results for 2017 will be published by the end of 2019. In addition, global PPP time series for the period from 2012 to 2016 will be produced through linking interim regional results, where available.

## **B. Status of regional programmes and capacity-building activities**

### **Africa**

13. Forty-seven countries are participating in the interim activities for the years 2015 and 2016. The African Development Bank established a regional expert group to review methodology and data for the interim exercise, and the group is expected to hold its first meeting in January 2018.

14. Fifty-one countries are joining in activities during the 2017 cycle. Eritrea, Libya and Somalia are not part of the 2017 cycle comparison, while Egypt, Morocco and the Sudan are participating in both the Africa and Western Asia regional comparisons. For the 2017 cycle, due to unexpected challenges in channelling funds to the participating countries, the data collection for household consumption main survey was delayed in the region. Preliminary regional results will be calculated in the third quarter of 2019 and the final regional results are expected to be available in the fourth quarter of 2019.

15. A regional technical workshop to launch the 2017 cycle activities in Africa was held from late January to early February 2017 in Lusaka. A catch-up workshop was organized in June 2017 in Abidjan, Côte d'Ivoire, to accommodate the countries that could not attend the previous workshop. A technical workshop on national accounts for French-speaking countries was held in October 2017 in Bamako. Two in-country training workshops were held in August 2017: one in Rwanda to initiate ICP activities for 2017 and one in South Africa to discuss subnational PPPs.

### **Asia**

16. Twenty countries are participating in the interim update exercise for 2016. The final review of price and national accounts expenditure data is under way and it is expected that the results of the interim exercise will be released towards the end of the first quarter of 2018.

17. Twenty-two countries are joining the 2017 cycle, including the largest countries in the region. In addition, Afghanistan expressed its interest in participating in the work of ICP and a briefing session on the Programme was delivered to the national statistical office; however, Afghanistan's participation in the ongoing 2017 cycle is uncertain due to the current security situation in the country. In Asia, the main survey on price collection for household consumption started in the second quarter of 2017 for most countries while some started in the third quarter of 2017. Price data are

expected to be finalized by the first quarter of 2019 and it is expected that the final regional results will be released in the last quarter of 2019.

18. The first meetings of the Regional Advisory Board and Heads of National Implementing Agencies were held in January 2017, in Hanoi to launch the activities of the 2017 cycle in the region. Three regional workshops were held in Bangkok, in February, June, July and October 2017, to review 2016 data and estimate preliminary results and to initiate 2017 price-collection activities. Three in-country training workshops were conducted in 2017, covering (a) subnational PPPs in India, in February; (b) training on ICP in Myanmar in April; and (c) training on the ICP household consumption survey in China in May. The next regional workshop is scheduled for January 2018.

### **Commonwealth of Independent States**

19. Eight countries members of the Commonwealth of Independent States (CIS) participated in the interim 2014 comparison. The final results were released in April 2017 and the statistical abstract presenting detailed results was published in June 2017.

20. Eight countries are joining the 2017 cycle; discussions with Turkmenistan and Uzbekistan to confirm their participation are still under way. The Russian Federation is participating in both the CIS and the Organization for Economic Cooperation and Development (OECD) comparisons. The main survey on data collection for household consumption was conducted from the second to the last quarter of 2017, and the survey on gross capital formation from the third to the last quarter of 2017. Other surveys for the 2017 cycle will be carried out in 2018. Results are expected to be released in a brief form in the last quarter of 2019 and it is planned to publish detailed results in the second quarter of 2020.

21. A regional experts meeting was conducted to review the household consumption surveys in April 2017 in Moscow. The next regional experts meeting to review the machinery and equipment surveys will be held in December 2017.

### **Latin America and the Caribbean**

22. In the interim period, technical assistance and informative sessions were provided to a few countries in the Latin America and the Caribbean region on consumer prices and national accounts in preparation for the 2017 cycle, but no data collection was conducted to estimate interim regional results.

23. Thirty-seven countries are expected to participate in the 2017 cycle activities. Costa Rica and Colombia are participating in the OECD PPP programme, while the Bolivarian Republic of Venezuela and Cuba are not joining the 2017 cycle. As a result of unforeseen funding issues and other statistical priorities under way in various countries, the main survey on data collection for household consumption was delayed in the region. The final regional results and findings are expected to be published in the last quarter of 2019.

24. The first regional technical meeting on household consumption surveys for the 2017 cycle was held in June 2017 in Santiago. The next regional workshop is scheduled for January 2018.

### **Western Asia**

25. Eleven countries in Western Asia are participating in the interim 2016 comparison. The overarching aim is to build PPP time series covering the years from 2011 to 2016 based on data collected during the 2011 round and the interim period, and to ensure the continuation of the annual production of PPPs for 2017 and beyond. The regional results for the years from 2014 to 2016 are expected to be published in the second quarter of 2018.

26. Thirteen countries are participating in the 2017 cycle in the Western Asia region. As mentioned above, Egypt, Morocco and the Sudan are participating in both the Africa and Western Asia regional comparisons. Lebanon, the Syrian Arab Republic and Yemen are not joining the 2017 cycle comparisons because of current geopolitical situations. Data collection activities are proceeding as scheduled and the final regional results are expected to be published in the last quarter of 2019.

27. A total of four regional workshops were held in 2017: two workshops to validate price data for the 2016 regional PPP estimates were held in February and April in Cairo; a workshop to validate retroplated price data from 2014 and 2015 was held in October in Amman; and a regional workshop to launch national accounts activities was held in April in Cairo, in conjunction with the price survey workshop. In addition, a meeting on the participation of Tunisia and Libya in the 2017 cycle was held in June 2017 in Tunis. The next regional workshop to validate national accounts expenditure data for the period 2014–2016 is scheduled for December 2017.

### **Eurostat-Organization for Economic Cooperation and Development purchasing power parity programme**

28. Eurostat, the Statistical Office of the European Union, and OECD execute a regular programme in order to produce annual PPP estimates according to a well-established timetable. Fifty-one countries are participating in the Eurostat-OECD PPP programme in the 2017 cycle. Thirty-nine are coordinated by Eurostat, including Georgia and Ukraine, which will be linked to the global comparison through the Eurostat comparison. Twelve are coordinated by OECD, including Colombia and Costa Rica, which have recently moved from the Latin America and Caribbean comparison. The Russian Federation is participating in both the CIS and OECD comparisons. Preliminary regional results for the Eurostat-OECD programme will be available in the last quarter of 2019 and the final results will be published in the last quarter of 2020.

29. Three regional workshops and meetings were held during the reporting period: two Eurostat country workshops in Lisbon in March 2017, and in Helsinki in September 2017, and a meeting of the PPP working group in Luxembourg City in November 2017. In addition, meetings with Georgia and Ukraine were held in February 2017 and October 2017 to discuss the participation of both countries in the 2017 cycle as well as to clarify methodological and organizational aspects of the current ICP cycle.

### **Pacific Islands**

30. The participation of the countries of the Pacific Islands region in the 2017 cycle has not yet been confirmed. Discussions with the Australian Bureau for Statistics are under way to see whether, as in the 2011 round, the Pacific Islands can participate in the 2017 cycle with funding and technical support from the Australian Government.

### **Islamic Republic of Iran**

31. A meeting on the participation of the Islamic Republic of Iran in the 2017 cycle took place in September 2017 in Istanbul, Turkey. The plan is to link the participation of the Islamic Republic of Iran to the global comparison through the Western Asia comparison.

## **C. Financial status**

32. The total cost of the 2017 cycle, including both global and regional budgets, but excluding national contributions, is estimated at \$24.5 million. This figure presents substantial reduction relative to the budget for the 2011 round, which amounted to around \$45 million. The budget and resources needed for the ICP global and regional programmes are expected to decrease over time as countries integrate PPP surveys into their national statistical programmes.

33. Fundraising efforts began in 2016 to mobilize funding for the 2017 cycle. Funding contributions to cover the total cost of the global and regional programmes over the next three years are expected from the World Bank, the International Monetary Fund (IMF), the Department for International Development of the Government of the United Kingdom of Great Britain and Northern Ireland, Eurostat, OECD and the regional development banks and implementing agencies. At the global level, around \$1 million of the required funding remains unsecured, and additional fundraising efforts are under way to help fill this gap.

## **D. Risks and mitigation measures**

34. The implementation of the 2017 cycle and the transformation of ICP into a permanent programme are susceptible to a number of risks, set out in the following paragraphs.

### **Country participation risks**

35. A few countries in Africa, Asia and Western Asia are facing unstable geopolitical situations that impede their participation. Furthermore, countries in the Caribbean region are suffering the aftermath of a deadly hurricane that may cause delays in survey activities. Although these risks are very difficult to mitigate, global and regional implementing agencies are committed to building capacity in fragile and conflict States, and they continuously encourage countries in those regions to participate in capacity-building activities, even if they are unable to conduct ICP surveys.

### **Timeliness risks**

36. The delayed launch of 2017 cycle activities in two regions poses a risk to the overall scheduling of the programme, and may result in a delay in the release of global results of the 2017 cycle. Mitigation measures include diligent monitoring of the ICP timetable and progress in all regions and countries and the resolution of operational bottlenecks through increased technical assistance.

37. The limited capacity of some national agencies to undertake ICP activities and that of a few regional agencies to provide technical assistance and produce regional ICP results pose additional risks to the timely release of the 2017 cycle results. For

example, not all countries produce expenditure-based GDP estimates. To mitigate this risk, regional and global agencies will need to increase technical assistance efforts in this area. Furthermore, the availability of specialized technical expertise in some areas, for example on gross fixed capital formation or for the calculation of results, is a challenge for some regional teams. As a mitigation measure, the enlistment of specialized technical experts to support regional teams is under way.

### **Quality risks**

38. Low quality or poor comparability of ICP results over time may limit their usability and, hence, pose risks to the Programme. The quality of results can be impacted by various factors, including quality issues with regard to input data and data processing, or calculation errors. The comparability of results between ICP rounds can be hindered by changes in methodology and country participation. For example, there are clear challenges of comparing results over time as countries migrate from some regions to OECD. As a mitigation measure, dedicated task forces are being established under the Technical Advisory Group to compute results and assess their quality prior to publication. In addition, no major methodological changes will be introduced in the 2017 cycle to ensure comparability of results over time.

### **Openness risks**

39. Restricting the openness of ICP data would hinder the value of the Programme in the long run. To mitigate this risk, discussions within the Governing Board and the Inter-Agency Coordination Group are under way to extend the publication level of ICP results in order to cover more detailed headings and to examine the possibility of providing users with access to more detailed data, while respecting confidentiality constraints and data quality limitations.

### **Financial risks**

40. As mentioned above, the 2017 cycle continues to have a funding gap and additional fundraising efforts are under way to mitigate this risk. Moreover, channelling funds to countries has proven to be a challenge in some regions because of lengthy administrative processes or the ineligibility of some countries to receive funds. Overcoming administrative obstacles can only be mitigated through increased regional efforts to cut through red tape and ensure that funds are transferred to countries in a timely manner.

### **Sustainability risks**

41. To ensure the sustainability of ICP as a permanent programme, it is imperative to incorporate it as part of regular work programmes at national and regional levels. A dedicated task force under the Technical Advisory Group will develop an advocacy document on the uses of ICP and PPP data for policymaking to help chief statisticians make a stronger case for integrating the ICP into the work programme of their agencies and secure the required permanent national resources for this work. Regional implementing agencies are also urged to incorporate the ICP into their regular economic statistics work programmes.

## IV. Research agenda

42. At its forty-seventh session, the Commission recommended that no methodological changes be introduced in the Programme's 2017 cycle in order to maintain comparability over time and to allow for the production of a reliable PPP time series. The Commission agreed, however, that a research agenda should be developed to guide the future work of the Programme. In this context, a research agenda was reviewed by the Inter-Agency Coordination Group in the fall of 2016, approved by the Technical Advisory Group in May 2017, and endorsed by the Governing Board in September 2017.

43. The research agenda consists of the following 13 items: (a) compilation of PPP time series and the rolling survey approach; (b) PPPs and real expenditures for dwelling services; (c) productivity adjustment for government and construction labour; (d) fine tuning global linking procedures; (e) quality and reliability of PPPs; (f) uses of PPPs for national and international policymaking; (g) consumer price index (CPI)-ICP synergies and subnational PPPs; (h) PPPs for exports and imports; (i) PPPs for construction; (j) PPPs for health and education; (k) ICP PPPs and global poverty measurement; (l) exploring innovations in technology and data sources for PPP measurement; and (m) accounting for product quality differences in PPP measurement.

44. Research activities will be sequenced to ensure that they do not crowd out resources for the timely delivery of the results of the 2017 cycle. That being the case, research work is being extended over the period from 2017 to 2021.

### Task forces

45. The Technical Advisory Group is establishing task forces to undertake research into specific topics identified under the ICP research agenda and to support the computation of ICP results. Three task forces were established in 2017.

46. The first meeting of the task force on country operational guidelines and procedures was held on 25 October 2017 in Washington, D.C. Participants discussed the topics assigned to the task force, including moving towards rolling price surveys, CPI-ICP synergies to improve spatial and temporal price consistency and subnational PPPs.

47. The first meeting of the task force on PPP computation and time series was held on 26 October 2017 in Washington, D.C. The main objective of the meeting was to: initiate discussions on building PPP time series for the interim period; link interim regional updates into a global comparison; fine tune global linking procedures; and provide productivity adjustment for government and construction labour.

48. The first meeting of the task force on housing was held on 27 October 2017 in Washington, D.C. The meeting initiated discussions on PPPs and real expenditures for dwelling services.

49. Three task forces, focusing on PPP uses, PPPs and poverty measurement and PPP quality and reliability, will be established in 2018. The first meetings of the task forces are planned for May 2018. In addition, four task forces, for new data sources, exports and imports, non-market services, and construction, will be established during the period 2019-2020.

## V. Knowledge, advocacy and uses

### A. International conferences and seminars

50. The Academy of International Comparison was launched in Beijing in January 2017 during the Academic Symposium on International Comparison, which took place at Beijing Normal University. The Academy was co-founded by the National Bureau of Statistics of China and Beijing Normal University in recognition of the significance of China's participation in ICP.

51. A workshop for the World Bank economists and statisticians on global poverty and ICP/PPP was organized by the World Bank in February 2017 in Washington, D.C. The workshop discussed the latest results obtained by the Programme and its methodology, as well as the current and future uses of PPPs for measuring global poverty. In addition, a policy research talk session, entitled "Poverty counts: the future of global poverty monitoring at the World Bank", was organized April 2017 in Washington, D.C. to discuss the international poverty line, the role of PPPs, supplemental poverty measures and other related topics. Moreover, as part of the World Bank poverty measurement training week, a session on PPPs was held in July 2017 in Washington, D.C. The Global International Comparison Programme Unit facilitated this session, introducing the ICP work programme, PPP methodology and the uses of PPP for poverty economists of the World Bank.

52. The fifteenth meeting of the Ottawa Group was held in May 2017 in Eltville am Rhein, Germany. Price index experts, including the staff of the Global International Comparison Programme Unit, discussed the upcoming revision of the *Consumer price index manual*; big data; scanner data; web scrapping; and other issues related to price statistics.

53. At the sixty-first International Statistical Institute World Statistics Congress, which took place in July 2017 in Marrakech, Morocco, there were three sessions on ICP, covering the challenges and opportunities facing a permanent ICP programme, as well as subnational PPPs and their applications in emerging economies.

54. Since 2018 marks the fiftieth anniversary of the establishment of ICP, and in order to raise awareness of the importance of its work, special events will be organized to celebrate this milestone. Preparations are currently under way for events to mark the "Golden Jubilee" at the time of the forty-ninth session of the Commission, in March 2018, as well as during the second meeting of the Technical Advisory Group in May 2018. A comprehensive list of conferences and seminars is maintained on the ICP website: <http://icp.worldbank.org>.

### B. Uses of purchasing power parities

55. PPPs and underlying data from ICP are utilized by an increasingly large audience. Themes range from comparisons of economies and cost of living differentials to research on poverty, inequality, social welfare and economic growth, as well as indicators such as competitiveness, productivity, trade and investment.

56. Following the recommendation of the Commission at its forty-eight session, the Global International Comparison Programme Unit conducted a survey of the usage of ICP and PPP data in publications written in English during the period from January 2015 to November 2017. The survey identified 378 academic and media articles, 176 reports and research papers and 19 blogs that used PPP data in their analyses. The

topics of use included: growth and size of the economy (28 per cent), poverty (21 per cent), currency valuation (9 per cent), education and health (8 per cent), income distribution and inequality (8 per cent), social welfare (5 per cent), trade and investment (5 per cent), energy and environment (4 per cent), labour and productivity (4 per cent), fiscal policy and public expenditures (3 per cent), information and communications technology (2 per cent) and price levels (2 per cent). The Global International Comparison Programme Unit continues to monitor the uses of PPPs and to maintain a comprehensive list of the uses of ICP results on the ICP website. A sample of publications that have utilized PPPs is given below.

57. The International Monetary Fund used PPPs in its publication, *World Economic Outlook: Subdued Demand: Symptoms and Remedies* (2016), notably to weight estimations of output and growth of composite groups of economies. In the publication *A Step Ahead: Competition Policy for Shared Prosperity and Inclusive Growth* (2017), released jointly by the World Bank and OECD, PPP data is used for analysis. The latter report emphasized the importance of market competition, effective regulation and competition policies for achieving inclusive growth and shared prosperity. Moreover, the World Bank publication, *Global Economic Prospects: A Fragile Recovery* (2017) used data on PPPs to highlight the growth prospects of the global economy.

58. The United Nations Development Programme (UNDP) used PPPs in its report *Income Inequality Trends in sub-Saharan Africa: Divergence, Determinants, and Consequences* (2017), mainly to assess poverty rates and inequality trends in sub-Saharan Africa. The World Bank Group report *East Asia and Pacific Cities: Expanding Opportunities for the Urban Poor* (2017) also used PPP data to evaluate the prospects of future reduction in urban poverty rates and inequality by addressing challenges that promote greater inclusion in the region. Data on PPPs is also extensively used on the World Bank's Poverty & Equity Data Portal, a comprehensive open data platform for the most recent data on poverty, inequality and shared prosperity.

59. The 2018 World Development Report, *Learning to Realize Education's Promise*, devoted to education, highlights the importance of this topic in welfare and development. PPPs were extensively used in the preparation of the report, especially to show the relationship between education spending and student learning. In the assessment of the education sector in Sri Lanka by the World Bank Group, entitled *Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options* (2017), the country's public spending on education and enrollment rates was compared to that of its peers through the use of PPP data. Moreover, in the World Bank Group report, *At a Crossroads: Higher Education in Latin America and the Caribbean* (2017) PPPs were used to give an international view of spending on higher education in the region, and to draw on lessons learned to improve the system of higher education, which has a significant impact on growth and equity in the region.

60. The summary report of the World Bank Group "Better spending, better care: a look at Haiti's health financing" (2017) utilized PPP data to measure Haiti's public health spending. The World Bank report, "Republic of Cameroon: Priorities for Ending Poverty and Boosting Shared Prosperity" issued in 2016, also used PPPs to evaluate health spending in Cameroon in comparison to peer countries. The research report of the United States Department of Agriculture entitled "The Influence of Income and Prices on Global Dietary Patterns by Country, Age, and Gender", issued in 2017, used GDP and price level indexes for related food categories from the ICP 2011 round in its analysis.

61. In addition, PPPs were used in the calculation of the Human Development Index, the inequality-adjusted Human Development Index and the Gender Development Index in the UNDP publication *Human Development Report 2016: Human Development for Everyone*. In the 2017 report issued in the World Bank Group's Middle East and North Africa Economic Monitor, "The Economics of Post-Conflict Reconstruction in the Middle East and North Africa Region", social welfare measures in the region were evaluated using PPP data. The publication of the World Bank Group's Latin American Development Forum, *Stop the Violence in Latin America: A Look at Prevention from Cradle to Adulthood*, also employed PPPs in the measurement of the economic cost of violence in Latin America.

62. The World Bank Group report *Migrating to Opportunity: Overcoming Barriers to Labor Mobility in Southeast Asia* (2017), in its analyses on barriers to labour mobility in Southeast Asia, reveals that the relationship between GDP per capita in PPP terms and outmigration is stronger for migrants coming from countries within the Association of Southeast Asian Nations (ASEAN) than for those from countries outside ASEAN. Likewise, "TCdata360" (<https://tcdata360.worldbank.org/>), a new World Bank open and interactive platform that provides trade and competitiveness data, uses PPP data in its trending indicators, including indicators related to economic outcomes, economic and social context, climate competitiveness and e-trade. The inaugural issue of the World Bank publication *Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications* (2018) analysed the drivers of foreign direct investment and its impact on economic transformation using PPPs as a tool to measure host economy attractiveness to investors. PPPs were also used in productivity measures in *The Africa Competitiveness Report 2017: Addressing Africa's Demographic Dividend*, a joint report of the African Development Bank, the World Bank Group and the World Economic Forum.

63. Several of the Sustainable Development Goals use PPPs, for example Goal 7, "Ensure access to affordable, reliable, sustainable and modern energy for all", uses PPPs for measuring energy intensity, an indicator that computes how much energy is needed to produce one unit of GDP. Energy intensity evaluations in the World Bank reports "Uzbekistan — Systematic country diagnostic" and "Ukraine — Systematic country diagnostic: Toward Sustainable Recovery and Shared Prosperity" were measured using PPP data. The World Bank reports "Guinea-Bissau — Turning challenges into opportunities for poverty reduction and inclusive growth" and "Colombia — Systematic country diagnostic" used PPP data to evaluate the environmental impact of CO<sub>2</sub> emissions. PPP data were also utilized for country environmental analysis in the World Bank report "Georgia — Country environmental analysis: institutional, economic, and poverty aspects of Georgia's road to environmental sustainability".

64. The demand for subnational PPPs is also increasing, and projects are under way in various countries, including India, the Philippines, South Africa, the United Arab Emirates and Viet Nam. The compilation of subnational PPPs provides national policymakers with an important tool for comparison within the different regions of the country, as well as clear insights that allow for informed and impactful policy decisions. Subnational PPPs are often used for adjusting the national poverty line along with comparing cost of living differences across regions within the country. These data can also be used for setting minimum wages or salaries and the measurement of income inequality across regions.

### **C. e-Learning course and tutorials**

65. The ICP e-Learning course “Fundamentals of Purchasing Power Parities” has been finalized. The course consists of 5 sections and 17 modules covering broad topics related to PPPs, including: concepts, data requirements, methodology, calculations, and uses. This interactive course will serve a large audience, including policymakers, international organizations, researchers, students and members of the general public who wish to enhance their knowledge of PPPs. The course will be delivered through the World Bank’s online Open Learning Campus, a web-based destination for development learning. The course will be officially released in 2018 near the time of the convening of the forty-ninth session of the Commission.

66. A new ICP video tutorial was released by the World Bank’s Global ICP Unit. The video provides a tutorial to help viewers understand a multidimensional comparison between GDP, GDP per capita and price levels of world economies based on the results of the ICP 2011 round. It is a sequel to the first ICP video tutorial, which explained the structure of the world economy and the distribution of its population based on the ICP results. The tutorials are available on the ICP website (<http://www.worldbank.org/en/programs/icp>).

### **D. Website and newsletter**

67. As a part of its continuous efforts to promote the use of PPPs, the Global International Comparison Programme Unit launched a new ICP website in April 2017. The new website is a rich repository of over 1,100 files, providing an overview of the Programme and its history, governance structure, results and their uses, methodology and research agenda. The site also includes ICP reports, manuals, videos, newsletters and links to media articles, academic and research papers and major publications using ICP data and results.

68. The Global Unit has lately rebranded its quarterly newsletter as “ICP Highlights”. With a new user-friendly platform that offers translation into various languages, the newsletter continues to provide information covering ICP governance, capacity-building and outreach activities, as well as information on the latest uses of ICP and PPP data. The current newsletter and back issues are available on the ICP website.

### **E. Leaflets and posters**

69. An introductory leaflet, “Fundamentals of Purchasing Power Parities”, was released in April 2017. The leaflet provides a general audience with basic information about PPPs. Another leaflet, focusing on the ICP and its activities, is to be released in early 2018. Additionally, two posters are being prepared, the first on the historical evolution the Programme and the second on the uses of PPP.

## **VI. Conclusion**

70. The implementation of the Programme’s 2017 cycle is under way in all regions, and various governance, capacity-building, research and advocacy activities have been conducted. However, challenges and risks still lie ahead. Data collection delays in some regions are a reality, posing a risk to the agreed timetable of Programme’s

activities and results. Nevertheless, certain challenges also bring opportunities. At its forty-eighth session the Commission urged participating countries to integrate the Programme's activities into their regular work programmes and budgets. Inevitably, having policymakers understand how the Programme's data can be used for national policymaking will make this goal easier to achieve. In this regard, various knowledge and advocacy activities outlined in the present report, as well as several ICP research agenda topics, focus on the importance of PPPs and related measures for policymaking. The global, regional and national implementing agencies remain dedicated to mitigating all risks to help achieve the immediate goal of a successful 2017 cycle, as well as the long-term goal of a sustained and permanent International Comparison Programme.

---