Summary of International Comparison Program (ICP) Executive Board Meeting  
Geneva, Switzerland  
February 10-11, 2004

Overview

Members of the ICP Executive Board met in Geneva, Switzerland on February 10-11, 2004 to review the progress of the global and regional activities of the program since the last meeting of the Board in August 2003. The Executive Board expressed satisfaction on the very substantial progress that had been made to correct the deficiencies of the previous rounds of the program and strengthen all components of this round of the ICP.

The Executive Board noted that the CIS plans to commence price collection surveys for consumption items in July 2004. The Asia and Pacific region plans to begin price collection for food, clothing and footwear in July 2004, and the rest of household consumption by October 2004. The Western Asia and South American countries will begin in October 2004. The African region will also be in a position to begin price collection by October 2004.

The Executive Board also noted:

(a) the active participation of 158 countries, including 51 from Africa. Many others would like to participate but are not able to do so due to lack of funding, in particular Central America, the Caribbean and the South Pacific;

(b) the substantial funding provided by many international agencies (particularly the World Bank), donor agencies, and the in-kind contributions from many participating countries (see attached table);

(c) the spirit of cooperation and sense of partnership that has developed between global, regional, and national stakeholders to achieve the project goals;

(d) the major contribution of the project towards reliable measurement of progress against the Millennium Development Goals, as well as improved targeting of poverty alleviation measures and the relative competitiveness of countries;

(e) the major contribution of the project towards national statistical capacity building in developing countries, especially with regard to consumer price indices and the improvement and harmonization of National Accounts;

(f) the infrastructure and investment in new technology and methodology in the current round that will reduce costs and ensure efficiency in future rounds of the ICP, and the development of the ICP software (Tool Pack) as a statistical capacity building tool for country level CPI’s;
Despite the very substantial progress, some issues raised concern. First among these is the issue of funding. Although significant progress has been made on this front since the last Board meeting, and the project is in no danger of failing to progress to the data collection stage, sufficient funds are still not available to enable its completion.

The second area of concern is with meeting the deadlines for preparing the product lists, completing the testing of the software, and carrying out the training and translation activities that precede the collection of price data. The timeline was deemed ambitious but achievable if additional funding and specialist staff can be made available at the appropriate time. Good project management would be essential as always at all levels (global, regional and national) to coordinate the activities and achieve targets.

Summary of Executive Board Actions

1. The Executive Board agreed that preliminary estimates of PPPs should be obtained using 2004 expenditure weights and final estimates should be based on 2005 weights and GDPs. The goal is to make preliminary PPPs available by mid to late-2006.

2. After a review of the financial and budget situation and noting the funding shortfall, the Executive Board agreed that the target comparison should be total GDP. The Board noted with pleasure that 125 countries qualified for this comparison. The Board also noted that the basis of comparison might fall short of all GDP components for the remaining countries.

3. Although July is the preferred starting month, the Asian regional coordinators are instructed to consult with the heads of National Statistical Offices to see whether an October start would allow more time for regional and national preparatory work and for the translation of materials. The Executive Board considered the implications of different regions beginning price collection at different time periods and approved of it on the condition that all countries within a region start the price collection at the same time unless there were explicit and approved exceptions.

4. The Executive Board approved the proposal that price collection for Housing, Health, Education, Government, and Capital formation should take place as near to mid-2005 as possible so as to allow more time for global and regional preparatory work including translation of materials.

5. The Board instructed the Global office to ensure that regional coordinators assess the availability of price indices in each country so that price data may be estimated for a common reference period. The Global Office was also asked to request the Technical Advisory Group (TAG) to provide advice and assistance.
where price indices are not sufficient or available to deal with the technical issues caused by different collection periods across regions.

6. The Executive Board directed the Global office to thoroughly test the Tool Pack in some country offices and in particular let Statistics Canada conduct tests to instill confidence in its use and to ensure that it meets the requirements of the ICP. It was suggested that testing take place immediately for the modules critical for the price collection and country level data editing phases. The results of the full test should be reported to the Executive Board.

7. The Executive Board suggested that the ICP Manual (Chapter 6 on Sampling and Survey Framework) be supplemented by an Operations Manual that could provide instructions and guidance to the National statisticians regarding price collection, the determination of outlets, the number of price quotes to be gathered, etc. The Global office was directed to prepare such a manual that could be used for training purposes.

8. The Executive Board directed the Global office to ensure that Chapter 7 of the ICP Handbook (Data Editing and Validation) set rules for the editing of country data and also for within region edits involving inter-country comparisons. The Board noted that the responsibilities of the country and regional coordinators are to be carefully described and must include descriptions of the necessary iterations starting from the country level data review to the acceptance of the regional price levels and PPPs. The Executive Board places the highest priority on the completion of this important chapter.

9. The Executive Board approved the TAG recommendation that the full Ring Multilateral Comparison be adopted and also approved the criteria for the selection of the countries. The Executive Board suggested that data collection for the Ring comparison be carried out during the third quarter of 2005 as close to mid year as possible and provide point in time price estimates. The Board requested that the regional coordinators be asked to comment on the choice of Ring countries using the criteria suggested by the TAG and inform the Global Office of any disagreement so that the matter can be resolved quickly.

The criteria for determining the selection of the Ring countries and approved by the Board are as follows:

- Openness of the economy;
- Existence of markets trading in a wide range of goods and services;
- A good statistical system in general, especially for price surveys and national accounts;
- A country not too large or too small in size, and finally
- The country’s willingness to participate.
Once the list of Ring countries is completed and approved, the regional coordinators, with assistance from the Global office, will seek the cooperation of the selected statistical offices. The Executive Board approved the initial selection of the countries shown below:

- Eurostat/OECD: UK, Japan, Estonia and Slovenia. Australia, (Czech Republic reserve list)
- CIS: Russia, Kazakhstan,
- ESCWA: Oman, Jordan
- ECLAC: Brazil, Chile
- Africa: Egypt, Kenya, Senegal and South Africa
- Asia: Hong Kong, Malaysia, Singapore and Sri Lanka, (Philippines reserve list)

10. The Executive Board noted with approval that first steps were being taken to estimate poverty PPP’s.

11. The Executive Board directed the Global Office to prepare advocacy materials to be presented to potential donors in national and international organizations giving priority to those expected to be able to provide immediate funding assistance. Advocacy materials for meetings with donor agencies should be tailored individually keeping the donor’s objectives and focus in mind in order to maximize the chance of getting a positive response.

12. The Executive Board approved the idea to include Pacific Island countries by asking them to price a reduced consumption list with the comparison results being used for analysis purposes. While the Board understood that this approach was conditional on the availability of funds it suggested that it be considered for the Caribbean Islands.

13. It was proposed and approved that the Executive Board meet at least once a year. It was recognized that unforeseen situations might force the Chairman to engage in consultation with Members of the Board who were immediately at hand, in person or by teleconferencing. But in such cases the Chairman would take steps to keep other members of the Board apprised of the matter under discussion without delay. This way the full Executive Board would always have an opportunity to provide their views before important decisions were taken.